

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

DAVISON DESIGN &)	
DEVELOPMENT, INC. ,)	
<i>Plaintiff,</i>)	
)	
v.)	CA No. 2:23-cv-644
)	
MARIO SCORZA ,)	
<i>Defendant.</i>)	Judge Marilyn J. Horan

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**MARIO SCORZA VS. DAVISON DESIGN
& DEVELOPMENT, INC.; AMERICAN
ARBITRATION ASSOCIATION, CASE
NO. 01 21 0004 6369, HOUSTON, HARRIS
COUNTY, TEXAS.**

VARIABLE ECONOMIC DAMAGE ANALYSIS

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December, 2022

LEHRER FINANCIAL AND ECONOMIC ADVISORY SERVICES

Real Estate Consulting - Economic Studies - Due Diligence Analysis - Litigation Support Services - Fairness Opinions / ESOP - Business Valuations

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RE: Mario Scorza vs. Davison Design & Development, Inc.;
American Arbitration Association, Case No. 01 21 0004 6369

To Whom It May Concern:

Please accept this document as my initial corporate economic damage report analysis as based upon accumulated documentation obtained within a specific recent timeframe. This document will serve as my corporate economic damage and financial analysis in regards to the overall inter-relationship of two (2) organizations - Mario Scorza and Davison Design & Development, Inc. in and during the period of March 2017 through the present time (late 2022). Further, this report will denote how one organization sought to purchase and utilize the services of the second, paid their requested funds, but did not receive any services or tangible output over a rather long period of time. Without any services, output, documents or feedback from an integral party, it makes the creation of a solid / supported economic / financial / corporate damage report a difficult assignment.

In the direct matter at hand, there were no receipt of goods, services or data from the supplying party (even though they were paid for), upon which the purchasing party can seek to rely in the collection and utilization of appropriate economic / financial supporting scholastic data. With no direct data it is more difficult to further, enhance, and merchandize Mr. Scorza's invention into a viable commercial product and organization to determine fully supported economic / financial / corporate stigma damages. *However*, after a solid amount of investigation, analysis, due diligence and financial / economic exploration, it has been determined that a corporate loss of **\$3,448,300** (before appropriate corporate taxes) over a ten (10) year period is an applicable amount of damages to the Scorza Organization. The following report is supplied in calculation and support of this stated amount.

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GENERAL INTRODUCTION

The interrelationship of corporate functions and their effect on the overall economics of organizations; either proposed, in the start-up phase or have been in business for many years, even decades on a continuous basis, because of an “incident” that occurred or an “incident” that is presently in progress, is generally based upon the nature or inter-relationship of the individual organizations and the probable course of their business future. The measure of the inter-relationship and the effects one company can have upon the other, is determined by the organization’s structure, operational format and the organization's relationship to one another in the “incident” that occurred. In the matter at hand, the undersigned has sought to determine and measure an overall general economic / financial / corporate analysis of how an “incident” based upon the lack of appropriate and timely responses and actions created an economic / finance / corporate set of damages to the Scorza Organization.

Such lack of actions and progressive steps towards creating a viable producing organization, can easily create a set of both short term and longer term negative economic effects on an organization in the start-up phase and its ability to produce a stream of corporate income and other similar type issues stemming from the “incident.” An organization that has suffered an income-earning setback based upon an “incident” may also incur certain obstacles in relation to their ability to function in the overall open marketplace as other have progressed while their product remained unmarketable. An adjustment must be made for the overall marketplace resistance in light of these restrictions. These adjustments reflect the marketplace’s resistance to engage and / or accept the organization when other similar organizations with significant backgrounds and without any history of incidents, defectiveness or litigation are also available in the marketplace. This is especially true in the instance of attempts to attract new clients with no past attachment or relationship to a specific firm.

The undersigned, in his role as an Economist, for which Davison Design and Development, Inc. was to provide creative presentation materials determined that it is relevant to explain how certain segments of the overall stream of business and commerce have evolved and presently operate to provide an overall corporate structural analysis. In trying to fulfill this task in sufficient detail, the undersigned has researched a variety of data and sources in the “scales” sector of our national economy. Based upon this research, the undersigned has relied upon and drawn from a number of published sources that he deems reliable, some of which are utilized in whole or in part and included in this report, to comply with the decisions and directions of the courts, especially noted in the cases of *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993); *General Electric Company v. Robert K. Joiner*, 522 U.S.136 (1997); and *Kumho Tire Co. v. Carmichael*, 572 U.S. 137 (1999).

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EXECUTIVE SUMMARY

This document was prepared based on the review and analysis of a variety of documents obtained and researched in whole or part by the undersigned Economist. The underlying concept was for the undersigned Economist to review documentation in regard to an agreement on or about March 23, 2017, where Mario Scorza contracted with Davison Design and Development, Inc. through a "New Product Sample Contract" for the further development, advertising and marketing of a unique "scale" invention designed by Mario Scorza. Pursuant to an agreement, Mr. Scorza paid Davison Design and Development, Inc. approximately \$25,000 for which Davison Design and Development was to provide - 1) Creative Presentation Materials, consisting of development, troubleshooting, manufacturing, packing, rendering, and marketing services; 2) "Creation" of the product sample, consisting of producing computer renderings, production drawings, and professional finishing imaging; 3) "Creation of" packing sample consisting of supplying renderings and imaging related to product packing; 4) "Product Sample Finalization," consisting of creating a usable final sample of both Mr. Scorza's product and its developed packaging; as well as 5) Provide information related to provisional patent applications, marketing quotes and materials to be utilized in advertising and a comprehensive summary of all services suggested, performed, and / or developed with regard to Mr. Scorza's unique invention.

Despite Mr. Scorza's dutiful payments, delivered upon Davison Design & Development, Inc.'s request, the single service provided by the company (of the dozens that should have been provided, as contemplated and described herein) was a single computer-generated image of the *possible* final form and appearance of Mario Scorza's "scales" invention. To date, no "Presentation Materials", no "Product Sample" or prototype, no usable sample, no "Packaging Sample" and no information or assistance related to marketing, advertising or patenting has ever been received by Mario Scorza or his organization.

Although Mr. Scorza repeatedly attempted to contact Davison Design & Development, Inc. in order to receive the services and materials they were paid to provide, Davison Design & Development, Inc. never produced any further services nor provided any further materials regarding the continued development of Mr. Scorza's unique invention. Moreover, Mario Scorza was never contacted by a single company or even one individual assisting in the development, advertising, marketing or selling of Mr. Scorza's invention, contrary to the "hundreds or more" purportedly contracting companies working with and for Davidson Design & Development. Because Davison Design & Development, Inc. kept Mr. Scorza waiting for years beyond when Davison Design & Development, Inc. should have completed the preparations and assisting services that would have enabled Mr. Scorza to commercialize his invention, a separate companies developed similar products that intercepted and absorbed the marketplace that should

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have been rightfully fulfilled by Mario Scorza had Davison Design & Development, Inc. performed the services that they were contractually obligated to provide. In addition, this extended delay resulted in the loss of all rights to any patentable inventions that would not have occurred, but for Mario Scorza's total reliance on Davison Design & Development, Inc.'s enticements, promises and directed incentives.

Davison Design & Development, Inc. purposefully induced Mario Scorza to contract with their company for the purported services and materials contemplated and described herein in order to receive the contractual payments Mr. Scorza made to Davison Design & Development, Inc. Davison Design & Development, Inc. falsely represented to Mario Scorza that the company could quickly and competently perform development services that would enable Mario Scorza to commercialize his invention, and that Davison Design & Development, Inc. could further help to market, advertise, and even provide potential investors and promoters necessary to cover the costs of any further required development. Mario Scorza has no educational background or training in marketing, advertising, product development or intellectual property protection and associated concepts, so he believed and relied on the promises made by Davison Design & Development, Inc. that the company would and could help bring his invention to market and provide the contractual services for which he personally paid.

It is Mario Scorza's reasonable contention that Davison Design & Development, Inc. fleeced Mr. Scorza in order to receive his payments, but then stalled the development of Mr. Scorza's product or the provision of any of the services Davison Design & Development, Inc. promised to perform on Mario Scorza's behalf in the hope he would become exasperated and eventually cease any further enforcement of the Agreement. Moreover, Davison Design & Development, Inc., knowing Mario Scorza's advanced age of eighty-five (85), hoped to leverage his age against him, advantaging Davison Design & Development, Inc. by drawing out any resolution on this matter past the life span of Mr. Scorza. Ultimately, despite having delivered required legal demand to Davison Design & Development, Inc. prior to this litigation, Davison Design & Development, Inc. has refused to respond to same or otherwise contact Mario Scorza. Therefore, Mario Scorza was forced to bring this legal proceeding to protect the legal rights afforded to him both at law and in equity.

To track and trace the actions or inactions of the parties in order to create a solid economic / finance report and the improper actions of Davison Design & Development a series of documents needs to be collected, arranged in a logical business manner, analyzed and a conclusion / decision reached in regard to their effect, input and circumstances of the enterprise under analysis. To support these types of independent analyses, those charged with concluding the analyses must normally undertake additional independent investigation, namely how the matter at hand fits into the overall economics and finances of a specific industry. In the present

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instance, an overall independent investigation and analysis was made into a variety of supporting circumstances, including - the potential operational structure of an organization to be created by Mr. Scorza, the benefits Mr. Scorza was to receive from the proper coordination of the various sections and segments promised by Davison Design & Development, Inc. and how these sections should have operated together for maximum rewards and efficient output.

Note is made that the undersigned has personally been involved in preparing a significant number of economic / financial / corporate reports, including damage analysis over the past four (4) decades. As such, the undersigned has been involved, on a first hand basis, with the correlation of corporate operations as a practicing Economist involved in finance, economics, management and overall business operational procedures as a former Banker.

In the course of the investigation and analysis, especially in the "scales" sector, data of a corporate, economic, semi-legal nature was reviewed from sources deemed reliable in regard to the specific enterprise and operational areas under analysis. The data, as best possible, was especially collected over a spectrum of time as opposed to a specific date or point of reference, in order for the analysis to reflect trends and changes in the various sectors of economics, finance, corporate operations and managerial sectors. Further, specific information regarding the interaction of senior corporate management and how this interaction affects the name, standing, business reputation and future income of an enterprise and the potential of the organization, was collected and analyzed to form a sustained conclusion as the basis of this report.

Based upon the data collected and the analysis undertaken, it is the corporate / financial / economic conclusion of the undersigned that a properly structured and operating "scales" enterprise will clearly benefit from interaction amongst and between the various corporate segments, divisions and locations of the business venture. Firms with well-structured sectors and lines of communication could easily be economically and financially harmed by the actions of others and such harm or financial injury will usually not rapidly fade from the scene. Hence, the improper actions of Davidson Design & Development, Inc., regardless of the proposed and projected properly functioning structure for the Scorza organization could cause economic / financial damages for a significant number of years out into the future. Hence, in addition to initial damages, such organizations could suffer "stigma" damages out into the longer mid-term future.

The results of this investigation, analysis and findings are contained in this initial and preliminary report and are based upon a step-by-step analysis of the background and operations of a creative / start up organization and similar organizations as outlined, researched and relied upon in the materials research referenced by the undersigned in his long standing scholastic

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career and for this report. As any business, including an established manufacturing organization, the company contains many parts and subsectors and this report has tried to analyze and denote its findings on a sector-by-sector basis in order for a reader to fully understand the background, nature, efforts and components of the proposed enterprise and their functional interrelationships.

As noted in the conclusion, each component of an organization, especially in a well-established, large and broad standing manufacturing sector, such as the scale sector, has an important impact on the final results. Each individual category is supported by an explanation as to how that category is an integral part of the overall business and future earnings process and what factors and forces were included to reach or obtain a specific category's conclusions. In many instances, due to the significant lack of information not supplied to Mr. Scorza, exact financial amounts are not fully known, nor could they be calculated, thus general economic, banking, financial and corporate procedures were utilized.

The report denotes the operations of a scale manufacturing organization in the premium private label products sector for the consumer, retail and institutional markets is an appropriate business undertaking. Based upon, for the most part, unnecessary / improper outside interference, such an organization would profit and most probably not have become damaged / diminished for the longer-term future. Hence, with interference, there could be a significant degree of - economic / financial / organizational losses to the enterprise. Factors such as levels of interest rates and the general overall economic fiber of the United States, are factors and forces that are well beyond the control of any individual or Economist. Since these forces can come into play in a variety of combinations and can thereby affect the best set of economic data, and or projections, it is most reasonable to denote that a growing manufacturing organization would need to acquire new and profitable clients, if not for the unnecessary outside interference of others.

DATA RELIED UPON

In order to compile this economic / corporate report, the undersigned read, reviewed, utilized and relied upon the following information, in whole or part:

- 1)* Plaintiff's Original Petition;
- 2)* Responses to Requests for Production of Documents;

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- 3) Answers to Interrogatories;**
- 4) Claimant's Request for Production to Davidson Design and Development, Inc;**
- 5) Claimant's First Set of Interrogatories to Respondent Davison Design and Development, Inc;**
- 6) Respondent's First Set of Discovery Requests;**
- 7) Correspondence of Barron Law Office, LLC – dated October 6, 2021;**
- 8) New Product Sample Contract - dated March 23, 2017, with supporting documentation;**
- 9) Independent Research on Weighing Machines Market Size, Share and Trends 2020 - 2027;**
- 10) The credentials (“CV”) of Mario Scorza;**
- 11) A variety of data and information on how to “sell on Amazon” and its related costs;**
- 12) Bibliography specifically including data that was researched for this report that is included at the end of the report as opposed to being duplicated in this section;**
- 13) A variety of data, information and costs that was researched in regards to the fees and methods of shipping and importing finished goods (especially**

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scales) into the United States, including tariff rates and regulations, especially goods from China;

14) Specific information in regards to the costs of shipping containers from overseas, their costs, prices, rates and freight concepts;

15) Specific information in regards to the costs of manufacturing of scales mass-produced in China, their manufacturers, suppliers and prices;

16) Reviewed and analyzed general Financial and Economic data, such as, but not limited to, interest rates analysis that affect the overall ability of an organization to function and operate in the United States; and

17) Analyzed and reviewed such other studies, analyses, inquiries and investigations, most of which are too small to enumerate, as we deemed appropriate for the purpose of the creation of this Corporate Economic Damage Analysis Report.

THE THEORY OF THE FIRM

A business enterprise represents a series of contractual relationships that specify the rights and responsibilities of various parties that affect and are related to each other. Those directly involved include - stockholders, customers, management, employees and suppliers. Society is also involved because businesses use scarce resources, pay taxes, provide employment opportunities and produce much of society's material and services output. Firms are a useful device for producing and distributing goods and services as they are economic entities and are best analyzed in the context of an economic model, such as the start-up of Mr. Scorza.

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The model of business is called “The Theory of the Firm.” In its simplest version, the firm is thought to have profit maximization as its primary goal. The firm’s owner-manager is assumed to be working to maximize the firm’s short-run profits. Today, the emphasis on profits has been broadened to encompass uncertainty and the time value of money. In a more complete model, the primary goal of the firm is long-term expected value maximization. The value of the firm is the present value of the firm’s expected future net cash flows. If cash flows are equated to profits for simplicity, the value of the firm today, or its present value is the value of expected profits or cash flows, discounted back to the present at an appropriate interest rate.

Managerial decisions are often made in light of constraints imposed by technology, resource scarcity, contractual obligations, laws, and regulations. To make decisions that maximize value, managers must consider how external constraints affect their ability to achieve organization objectives.

Organizations frequently face limited availability of essential inputs such as skilled labor, raw materials, energy, specialized machinery, and warehouse space. Managers often face limitations on the amount of investment funds available for a particular project or activity. Decisions can also be constrained by contractual requirements. For example, labor contracts limit flexibility in worker scheduling and job assignments. Contracts sometimes require that a minimum level of output be produced to meet delivery requirements. In most instances, output must also meet quality requirements. Some common examples of output quality constraints are nutritional requirements for feed mixtures, audience exposure requirements for marketing promotions, reliability requirements for electronic products, and customer service requirements for minimum satisfaction levels. Legal restrictions, which affect both production and marketing activities, can also play an important role in managerial decisions. Laws that define minimum wages, health and safety standards, pollution emission standards, fuel efficiency requirements, and fair pricing and marketing practices all limit managerial flexibility. The role that constraints play in managerial decisions makes the topic of constrained optimization a basic element of managerial economics. One must also consider important economic implications of self-imposed and social constraints. This analysis is important because value maximization and allocative efficiency in society depend on the efficient use of scarce economic resources.

Firms exist because they are useful. Firms survive by public consent to serve social needs. If social welfare could be measured, business firms might be expected to operate in a manner that would maximize some index of social well-being. Maximization of social welfare requires answering the following important questions: What combination of goods and services (including negative by-products, such as pollution) should be produced? How should goods and services be provided? How should goods and services be distributed? These are the most vital questions faced in a free enterprise system, and they are key issues in microeconomics.

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Although the process of market-determined production and allocation of goods and services is highly efficient, there are potential difficulties in an unconstrained market economy. Society has developed a variety of methods for alleviating these problems through the political system. One possible difficulty with an unconstrained market economy is that certain groups could gain excessive economic power. To illustrate, the economics of producing and distributing electric power are such that only one firm can efficiently serve a given community. Furthermore, there are no good substitutes for electric lighting. As a result, electric companies are in a position to exploit consumers; they could charge high prices and earn excessive profits. Society's solution to this potential exploitation is regulation. Prices charged by electric companies and other utilities are held to a level that is thought to be just sufficient to provide a fair rate of return on investment. In theory, the regulatory process is simple; in practice, it is costly, difficult to implement, and in many ways arbitrary. It is a poor, but sometimes necessary, substitute for competition.

An additional problem can occur when, because of economies of scale or other barriers to entry, a limited number of firms serve a given market. If firms compete fairly with each other, no difficulty arises. However, if they conspire with one another in setting prices, they may be able to restrict output, obtain excessive profits, and reduce social welfare. Antitrust laws are designed to prevent such collusion. Like direct regulation, antitrust laws contain arbitrary elements and are costly to administer, but they too are necessary if economic justice, as defined by society, is to be served.

Based upon the above general outline, and discussion of a business enterprise, often referred to as "a firm", the undersigned will now explore the overall potential and viability of the invention of Mario Scorza, its industry, namely manufacturing of one or more "new" and "creative" weighing machines and how the projected organization could be structured and how different sectors affect and are directly related to each other for maximum output and financial rewards.

CREDENTIALS OF MARIO SCORZA

Mario Scorza graduated high school in 1952. He joined the United States Armed Forces and was stationed in Alaska and Pearl Harbor, both on top secret missions and was tasked with keeping nuclear bombers airworthy. The Alaska Mission involved an issue with Russia that prompted the President of Russia, Nikita Khrushchev to pound his shoe on the podium in his message to then President Dwight D. Eisenhower regarding violating Russian air space with our aircraft.

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In 1958 he was discharged from service to attend college to obtain a Bachelor of Science degree. He then joined the United States Air Force Reserves out of Ellington Air Force Base in Houston, Texas. There, he was a Flight engineer and worked on the Mercury Project and was assigned to the squadron responsible for the work of airlifting space capsules for NASA to drop them off in parachutes for impact studies.

In the 1960s, he began working for the Texas Department of Corrections in Huntsville, Texas as a correctional officer, spending twenty-five (25) years in this field. He worked at the facility that was exclusively women after a promotion to a higher state service as counselor with the Texas Rehabilitation Commission. During his work between the penitentiary and college courses in police science, he served an internship with a police department as reserve officer.

After service to the Department of Corrections, he went into private practice as a Licensed Professional Counselor with the State of Texas for five (5) years. He also worked at Veterans Medical Hospital in Waco, Texas, as a Biofeedback Assistant in a PTSD clinic.

Mr. Scorza's work history shows a large assortment of Certificates of Achievement and degrees. His college work included many courses in Psychology, Psychiatry, Criminal Justice/Criminology and Penology.

SCALE AND BALANCE MANUFACTURING – INDUSTRY OVERVIEW

The Scale and Balance Manufacturing industry comprises companies that manufacture scales and balances for use in industrial, commercial, scientific and consumer markets. This industry manufactures scales and balances for use in households, businesses and municipal organizations. Scales and balances are used to measure the weight of objects or people. Over the five (5) years to 2022, industry revenue has fluctuated, but has grown overall due to improved construction and manufacturing performance. However, the appreciation of the United States dollar has reduced the industry's cost competitiveness, and thus, has stifled revenue; imports have satisfied a larger share of domestic demand while exports have declined as a share of revenue.

Overall, industry revenue has increased at an annualized rate of 0.4% to \$1.2 billion over the five (5) years to 2022, including an increase of 3.8% in 2022 alone. In 2020, the COVID-19 (coronavirus) pandemic caused an economic recession, resulting in overall decreased production. Declining industrial productivity has reduced demand from the industrial market, which accounts

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for most of industry revenue. In 2020, industry revenue decreased 15.5%, hindering revenue growth over the current period, primary due to the overall economic slowdown experienced domestically and abroad.

Weight measurement tools are crucial for almost every business, as they are used in a variety of business processes including maintaining inventory, quantifying purchases and sales and assessing overall efficiency. As a result, industry performance is largely tied to the performance of downstream markets. The industrial production index, which measures output from key downstream industries, such as mining and manufacturing, has increased over the past (5) five years. However, imports have increased during the period, partly due to an appreciating United States dollar, which makes foreign-produced products more affordable relative to domestically produced ones. At the same time, exports have declined as domestic goods have become more expensive on foreign markets. Combined with increased price-based competition, these trends have hindered industry profit over the past five years.

Over the (5) five years to 2027, industry revenue is forecast to increase at an annualized rate of 1.2% to \$1.2 billion. Rising manufacturing activity and freight volumes are expected to continue to drive demand for industry products. Moreover, demand from key markets, such as laboratories and weight stations, is anticipated to climb. The trade-weighted index, which measures the value of the United States dollar, is forecast to decline, alleviating some import penetration and supporting export growth.

As the United States dollar appreciated over the period, imported goods became more affordable relative to domestically produced ones. Thus, the value of imports has increased at an annualized rate of 2.8% to \$1.0 billion over the (5) five years to 2022. China has accounted for the highest proportion of penetration, satisfying 37.3% of industry imports in 2022. Germany, Japan and Mexico have also been significant sources of imports over the past five years. Imports from China are especially competitive because Chinese manufacturers can produce balances and scales of a comparable quality to United States industry products, but at a lower overhead cost than domestic operators. Manufacturers in Japan and Germany are global leaders in the production of technologically advanced tools, such as balances and scales, while Mexico's proximity to the United States makes it a favorable trading partner. Industry operators that are skilled manufacturers of high-tech products can more easily compete with imports.

The value of exports has decreased at an annualized rate of 1.9% to \$352.9 million over the five years to 2022. This decline can be partly attributed to the appreciation of the United States dollar, which has made United States produced goods less affordable on foreign markets. Canada is the largest export market for industry products, accounting for an estimated 33.3% of

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total exports in 2022. The value of exports has fluctuated significantly during the period, falling as much as 16.1% in 2020 and rising as much as 7.6% in 2018. The global economic slowdown as a result of the coronavirus pandemic reduced global demand for industry products in 2020. As industry operators have contended with price-based competition from imports, some companies have chosen to reduce their workforce in attempts to control costs.

Industry employment is estimated to decrease at an annualized of 0.7% to 3,586 workers over the five years to 2022. Similarly, some operators have elected to exit the industry. The number of enterprises is expected to decrease at an annualized rate of 1.4% to 68 operators over the same period. Manufacturers also contend with volatile profit, since they must absorb the changing costs of commodities. In 2022, profit, measured as earnings before interest and taxes, is estimated to account for 6.1% of industry revenue, up from 4.4% in 2017.

THE OUTLOOK

Over the (5) five years to 2027, the Scale and Balance Manufacturing industry is expected to expand as the global economy expands following recovery from the COVID-19 (coronavirus) pandemic. Additionally, laboratories and weigh stations are likely to continue exhibiting strong demand for high-precision scales and balances. A future depreciating United States dollar is also expected to drive demand for industry exports over the outlook period. Industry demand is also expected to be bolstered by increased industrial production over the outlook period. Over the (5) five years to 2027, the industrial production index is forecast to increase at an annualized rate of 1.2%.

Overall, industry revenue is forecast to increase at an annualized rate of 1.2% to \$1.2 billion over the (5) five years to 2027. Industry revenue is expected to reach new highs over the next (5) five years as industry expands rapidly, accelerated by government spending. Industry profit is expected to remain stable over the outlook period as revenue growth is expected to outpace wage growth.

Industrial Trends and Downstream Markets

The industrial production index, which measures output from mining, manufacturing, electric and gas industries, is forecast to increase over the (5) five years to 2027. This growth is expected

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to be concentrated among manufacturers that focus on higher value-added products and services. Their performance will likely benefit industry operators that manufacture highly technical balances and scales, since lower value-added imports will not likely be able to compete with such products on the basis of quality.

Demand for scientific balances and scales is likely to continue growing over the next (5) five years as research and development (R&D) expenditures increase. Consumers in this downstream market demand high-end precision scales that can measure highly accurate weights; balances used in laboratories can weigh up to one ten-millionth of a gram. Moreover, as quality control regulations become stricter, demand for laboratory testing services is forecast to increase, benefiting demand for balances and scales.

Retail, Commercial and Household Scales and Balances

The retail, commercial and household scales and balances segment comprises all scales and balances used for retail, commercial or personal purposes. Such scales are typically lightweight and digitized; for example, retail scales often have a digital interface for customers. Retail and commercial scales are used in grocery stores, meat markets and delicatessens, among other shops, to weigh foods. They are also used at mailing centers to weigh letters and parcels. Household scales are mostly purchased by customers to weigh themselves but may also be used to weigh luggage or other objects.

This segment also includes laboratory scales and balances. Laboratory scales have very high precision because they are required to measure and detect minuscule amounts of chemicals or other ingredients. For example, some of Mettler Toledo International Inc.'s lab scales have the capability to weigh and detect up to one ten-millionth of a gram. Since lab scales involve high-end technology and compete on the basis of quality, they are typically expensive and earn their manufacturer high profit. In addition, they experience the least amount of import competition, with United States manufacturers generally retaining the upper hand in high-tech manufacturing. This segment is anticipated to generate 23.4% of industry revenue in 2022. This segment has grown over the (5) five years to 2022, alongside increased consumer spending.

A variety of factors determine domestic demand for products made by the Scale and Balance Manufacturing industry. These include the level of industrial activity, research and development spending and consumer disposable income. Higher industrial activity, especially in the automotive and construction sectors, spurs demand for heavy-duty scales that can weigh up to

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thousands of kilograms. Research and development, especially within the pharmaceutical and medical sectors, necessitate purchases of laboratory scales and other high-precision weighing machines. Moreover, companies in the transportation sector use industry products to weigh cargo. For example, freight may be weighed at ports and warehouses. Finally, high disposable income invigorates the retail and commercial sectors and raises demand for scales accordingly. The COVID-19 (coronavirus) pandemic and economic downturn has reduced corporate profitability and has resulted in weakened demand from industrial buyers.

Global demand for scales is influenced by these same factors and the trade-weighted index (TWI), which compares the value of traded currencies. For United States producers, as the TWI falls, their products become less expensive in global markets, boosting revenue from exports. Furthermore, global demand for industry products declined due to the worldwide economic slowdown in 2020 but has since recovered. Importantly, domestic demand may not translate into demand for industry products, depending on the level of import penetration. High-precision scales are relatively more immune from import penetration than generic retail, commercial and consumer scales. The latter category competes primarily on the basis of price, giving cost-efficient manufacturers in China and elsewhere a competitive advantage

The Scale and Balance Manufacturing industry has a low level of capital intensity. In 2022, for every \$1.00 spent on labor, industry players will likely allocate \$0.09 toward capital. While the initial costs of acquiring facilities, production equipment and tools may be high, capital costs can be depreciated over a long time. Conversely, some of the industry's more sophisticated industrial and lab products require skilled manufacturing labor, with wages accounting for 20.6% of industry revenue in 2022. Over the (5) five years to 2022, capital intensity has decreased as operators have increased labor costs. The industry is experiencing a low level of both the rate of new patents and the concentration of patents in the industry. This creates an environment where the threat of new technologies driving disruption is low. Industry operators are exposed to a low rate of new entrants and a moderate level of entry barriers. This combination of factors creates an environment where entry trends are not a key threat of disruption. Major market segments for industry operators are relatively diversified. The spread of market segments suggests that there are limited entry points other than those already served by incumbent operators.

The Scale and Balance Manufacturing industry has not been disrupted by technological advancements. Automation updated software and inventory control systems have benefited the industry by cutting down costs and time for completion. However, developments have not changed the landscape of the industry since the manufacturing process has remained largely the same.

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Different technology goes into the production of different types of scales made in the Scale and Balance Manufacturing industry. For example, laboratory scales may employ microbalance instruments, which are capable of making precise estimations to the order of a millionth of a gram. Other digitized scales, such as those at supermarkets, are less sophisticated, using electrical resistance and calibration to weigh objects. Meanwhile, other scales are not digitized and are mechanical altogether. For example, a spring scale weighs objects by measuring the distance that a spring deflects under a load: the greater the deflection, the greater the load. Spring scales are generally used to weigh trucks and other heavy material.

The majority of technological change in this industry has been geared at improving precision and load resistance. In turn, improving precision involves reducing sources of error, such as miscalibration over time, and reducing the effect of magnetic fields or airborne dust. Within the less high-precision segment, technology over the (5) five years to 2020 has focused on improving digital interface and other commercial aspects of the product. Furthermore, organizational steps, such as consolidation, have helped the industry contain costs and keep profit high. IBISWorld expects technological change, both in terms of production and organization, to remain moderate over the (5) five years to 2027.

The Scale and Balance Manufacturing industry exhibits a high level of revenue volatility. The Industry has grown as much as 8.3% in 2019 and has declined as much as 15.5% in 2020 due to COVID-19 (coronavirus) pandemic and the subsequent economic downturn. Revenue is largely tied to the industrial and transportation sectors, which are affected by volatile drivers, such as the world price of crude oil. Over the (5) five years to 2022, revenue volatility, which measured the absolute change of year-over-year revenue, averaged 11.6%.

There is a moderate level of regulation that operators in the Scale and Balance Manufacturing industry must comply with. The Office of Weights and Measures promotes uniformity in United States weight laws and monitors weighting inspections. There is also an increasing trend toward the harmonization of weighting standards across the European Union, to which industry operators export and must conform. Electrical components in scales are also subject to electrical safety standards and must be ensured to function efficiently in the presence of other electrical and chemical components.

The manufacture of specific scales, depending on the end market, is subject to extra regulation. For example, laboratory scales must enable customers to comply with Good Laboratory Practices regulation. Meanwhile, scales used in the pharmaceutical industry must not interfere with United States Food and Drug Administration regulation. Scales used in hazardous requirements may be subject to additional regulation as well. IBISWorld expects regulation to remain

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moderate over the (5) five years to 2027. Widespread stay-at-home orders amid the COVID-19 (coronavirus) pandemic weakened the global economy in 2020. This resulted in sizable declines in demand from key market segments. Furthermore, industry operators were not immune to temporary closures in the case of an outbreak among employees.

The Scale and Balance Manufacturing industry receives some assistance in the form of tariffs on imports, though not on all products. Scales categorized as "other" are subject to a tariff of 2.9%, but almost all types of scales and balances are free to enter the United States tariff-free. This reinforces the price advantage of foreign manufacturers and helps them penetrate the domestic market.

The industry receives some assistance from associations such as the Scale Manufacturers Association (SMA). The SMA was established in 1945 and works to promote the collective benefit of scale manufacturers, to conduct surveys pertaining to the industry's landscape and to develop standards relating to loading cells, electrical components, the environment and other issues. IBISWorld expects overall industry assistance to remain low over the five years to 2027. Additionally, the Coronavirus Aid, Relief, and Economic Security (CARES) Act permitted industry operators to receive loans through the Paycheck Protection Program (PPP) amid the COVID-19 (coronavirus) pandemic. Loan amounts totaled the cost of labor within a company for 2.5 months.

Bathroom Scales Market

In the changed post COVID-19 business landscape, the global market for Bathroom Scales estimated at United States \$2.4 Billion in the year 2020 / 2021, is projected to reach a revised size of United States \$3.0 billion by 2027, growing at a CAGR of 3.4% over the analysis period 2020 - 2027.

The United States Market is estimated at \$644.3 Million, while China is forecast to grow at 5.3% CAGR. The Bathroom Scales market in the United States is estimated at United States \$644.3 Million in the year 2020. China, the world's second largest economy, is forecast to reach a projected market size of US\$572 Million by the year 2027 trailing a CAGR of 5.3% over the analysis period 2020 to 2027. Among the other noteworthy geographic markets are Japan and Canada, each forecast to grow at 2.1% and 2.8% respectively over the 2020 - 2027 period. Within Europe, Germany is forecast to grow at approximately 2.6% CAGR.

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Bathroom Scales - Global Market

Bathroom Scales market worldwide is projected to grow by United States \$744.9 Million, driven by a compounded growth of 4.0% over the next 5 -7 years. Bathroom Scales, display the potential to grow at over 4.0% over this same period. The shifting dynamics supporting this growth makes it critical for businesses in this space to keep abreast of the changing pulse of the market. Poised to reach over United States \$3.1 Billion by the year 2025, Bathroom Scales will bring in healthy gains adding significant momentum to global growth. Representing the developed world, the United States will maintain a 3.1% growth momentum in the immediate future. Within Europe, which continues to remain an important element in the world economy, Germany will add over the United States \$27 Million to the region's size and clout in the next 5 to 6 years. Over United States \$21.8 Million worth of projected demand in the region will come from rest of Europe markets. In Japan, Bathroom Scales will reach a market size of United States \$189.7 Million by the close of the analysis period.

As the world's second largest economy and the new game changer in global markets, China exhibits the potential to grow at 6.2% over the next couple (3 – 5) of years and add approximately United States \$210 Million in terms of addressable opportunity for the picking by aspiring businesses and their astute leaders. Presented in visually rich graphics are these and many more need-to-know quantitative data important in ensuring quality of strategy decisions, be it entry into new markets or allocation of resources within a portfolio. Several macroeconomic factors and internal market forces will shape growth and development of demand patterns in emerging countries in Asia-Pacific, Latin America and the Middle East. The global bathroom scales market is stimulated by the increasing prominence laid by health-conscious consumers to remain fit. Increasing awareness that body fat proportion is a superior and a more accurate indicator of health than weight is helping drive the demand for bathroom scales geared towards this type of measurement.

The subsequent rise in demand for body fat analyzers is one of the key factors likely to drive the bathroom scales market over the forecast period. Dieters and exercisers are also showing special interest in fat scale analyzers which enable body fat measurement and help to distinguish between fat loss and weight loss. Rapid growth in the aging population is likely to lead to augmented sales in the bathroom scales market. Growing awareness about health implication of obesity such as hypertension, diabetes, and cardiovascular (heart) disease is fostering the adoption of advanced weight management strategies among consumers. Increasing health concerns among the female population is enhancing the growth of the bathroom scales market.

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Some of the other drivers of the bathroom scales market are heightened involvement in fitness routines and growing desire to stay fit and active among the aging population. Initiation of Bluetooth enabled and Wi-Fi aided scales made compatible with smart phones and tablets also leads to demand for bathroom scales. Introduction of innovative products such as multifunctional bathroom scales and electronic bathroom scales is expected to create opportunities in the bathroom scales market. Advancement in technology and continuous improvement of products is expected to drive the bathroom scales market over the forecast period.

On the basis of geography, the bathroom scales market is segmented by North America, Europe, Asia Pacific, Middle-East and Africa, and Latin America. Europe was the most dominant market in 2015 and is expected to remain so over the forecast period. Increasing health awareness among consumers and the urge to lead a healthy life is driving the bathroom scales market in this region. Introduction of innovative products such as electronic bathroom scales and multifunctional bathroom scales is fueling growth of the bathroom scales market in this region. The United Kingdom has the dominant share in the bathroom scales market in Europe. North America has a matured market for bathroom scales due to the introduction of newer products and advancements of technology in the bathroom scales market. Asia Pacific was the fast growing region in 2015 and it is likely to remain so over the estimated period.

Growing health issues due to unhealthy, inactive lifestyles owing to higher intake of carbohydrates and calorie rich foods and increasing trends to combat obesity is driving the bathroom scales market in this region. Increasing desire to lead a healthy and fit lifestyle among the aged population is one of the key drivers for the bathroom scales market in Asia Pacific. China is one of the largest markets in this region owing to the advancements in technology. Middle East & Africa has a considerable market share in the bathroom scales market owing to the rising trend of health management among consumers. Saudi Arabia and Qatar are some of the prominent market shareholders in the bathroom scales market. With advancements in technology and innovation of products, Latin America is emerging as a prospective market over the estimated period. Brazil is one of the large markets in Latin America. Brazil accounts for one of the major markets in the bathroom scales market in this region.

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Electronic Weighing Machines Market Report Scope

<u>Report Attribute</u>	<u>Details</u>
Market size value in 2020	\$3.7 billion
Revenue forecast in 2027	\$4.8 billion
Growth rate	CAGR of 3.1% from 2020 to 2027
Base year for estimation	2019
Historical data	2016 – 2018
Forecast period	2020 – 2027
Quantitative units	Revenue in \$Million and CAGR from 2020-2027
Report coverage	Revenue forecast, company ranking, competitive landscape, growth factors, trends
Segments covered	Type, distribution channel, region
Regional Scope	North America, Europe, Asia Pacific, Central & South America, MEA
Country scope	The United States, Germany, France, The UK, China, India, Brazil
Key companies profiled	A&D Company, Ltd, Mettler-Toledo International, Inc., Doran Scales, Inc. Essae-Teraoka Pvt. Ltd, Fairbanks Scales, Inc., Kern & Sohn GmbH, BONSO Electronics International, Inc., Smimadzu Corporation, Sartorius Group, Avery Weigh Tronix, LLC
Customization scope	Free report customization (equivalent up to 8 analysts working days) with purchase. Addition or alteration to country, regional & segment scope.
Pricing and purchase options	Customized purchase options to meet exact research needs.

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A History of Scales

Scales have been in existence for thousands of years. The oldest variety of the scale is the balance scale, artifacts of which are found in the Indus River Valley (close to Pakistan) dating back from between 2400 BC and 1800 BC. They were important tools used by tradespeople, who calculated how much a good was worth by weighing it against a set of stones or polished cubes. Each stone represented a certain mass; when a scale became balanced, the tradesman would know that the goods equaled the mass of the stones. By 1878 BC, but likely long before then, the Egyptians were similarly using balance scales to implement a system of gold mass measurement. The oldest archaeological evidence of scales found so far in China comes from sometime between the 3rd and 4th centuries BC. It was found in a tomb near Changsha, Hunan, along with masses of bronze that we assume they used for measurement. Early Chinese scales were of the balance variety.

From then until the Italian Renaissance, while some people did try to make new scale varieties, the most accurate remained balance scales. During the Renaissance, people such as Galileo and Da Vinci spent a lot of time studying measurement and the scale. A friend of Galileo, a man from Venice named Santorio Santorio (a.k.a. Sanctorius Sanctorius), invented the first successful non-balance scale. His invention was a weighing chair, which, as its name implies, weighed anything or anyone that sat in it. To make the chair work, Santorio placed it on top of a large balance platform. He used it for many years to track his weight before and after meals.

Towards the end of the 17th century, tradespeople began weighing goods with standardized weights. They did so in order to increase accuracy and transparency in their trading endeavors. This change led to the development of a number of new scale varieties. One of the most significant scale varieties to come out of this time period was the Roberval balance, invented in 1699 by a French mathematician named Gilles Personne de Roberval. The big selling point of the Roberval balance was that it measured products' weight accurately no matter where the user placed a weight inside the pans. Next, in 1770, a British person named Richard Salter invented the first spring scale to work without a counterweight. His spring scales featured a spring that measured the pressure or tension created by a load when placed on the spring. His invention proved so useful that they are still used today in many post offices.

The next big thing in the measurement industry came in 1843, when Sir Charles Wheatstone modified an electrical circuit that measures electrical pressure or resistance, originally invented by Samuel Hunter Christie. This circuit, now called the Wheatstone bridge circuit, is the building block that later engineers used to design all load cells, which are in turn one of the building blocks of digital scales.

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While Wheatstone perfected his circuit in 1843, it was not until a century later in 1943 that inventors figured out how to use it effectively. It was then that engineers began mass producing the bonded strain gauge, which is an important element of load cells. Then, nearly forty years after that, Americans Richard Loshbough and Edward Pryor patented the first American-built digital scale in 1980.

Since then, scientists and engineers have striven to make measuring technology more accurate and more versatile. For example, only four years ago, manufacturers built the first hybrid scale featuring flexible arms instead of rigid ones. It is called the elastically deformable arm scale, and it allows users to support and weigh heavy loads sitting on edges without tipping over. This is just one of the many ways that industrial scale manufacturers are seeking to improve measurement products. In the future, no doubt they will be more accurate and useful than ever before.

Scales are used in a wide variety of consumer, industrial, and commercial settings, including doctors' offices and hospitals, laboratories, roadside truck stops and weigh stations, restaurants, and manufacturing plants alike. They are a wonderful resource in a number of industries, including aerospace, agriculture, automotive, construction, engineering, hospitality, marine, medicine, shipping, and more.

History of the Bathroom Scale

A century ago, few Americans had any idea how much they weighed. Here's why that changed so dramatically. In 1922, the Commissioner of Health for Chicago had a scale installed in the lobby of City Hall. Any and all passersby were invited to come in, step on, and find out what they weighed. City residents soon flocked to the building and lined up all day long to check their weight. The scale was the hottest ticket in town. Thirty years earlier, most Americans had no idea what they weighed — nor did their physicians. Doctors and hospitals had had scales since the 1870s; they just weren't a part of standard health evaluations. Certainly, there were sociocultural attitudes and biases about body size and shape, but weight was a subjective concept. It wasn't until the turn of the century when a confluence of events gave rise to both a massive interest in quantifying weight and the tools to do so — one tool in particular: the bathroom scale.

In the beginning, scales were a novelty. As historian Hillel Schwartz, PhD, writes in *Never Satisfied* (his oft-cited and expansive text on American diet culture), the first penny scale was

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imported from Germany in 1885. It was a mechanical marvel: put in a penny, find out your weight. Seeing an opportunity, American manufacturers began producing their own, and by the 1890s, penny scales were popping up in movie theaters, groceries, train stations, drug stores — anywhere you might find vending machines. In essence, that's what they were at this point: huge and decorative, they came with clanging bells or internal phonographs that would play a tune while weighing you. These early scales were less like medical devices and more like fairground amusements.

Within a few years, they'd evolved into slot machines: drop in a penny, guess your weight, and if you were exactly right you'd get your money back. But most of these machines were rigged one way or another. If you guessed wrong (which you almost certainly would), all you got was a ticket with your weight printed on it, along with your fortune. As all gamblers know, the house always wins — and that was no exception here. Penny scales were enormous moneymakers for both the growing scale-distribution companies and the shopkeepers or operators who maintained them. “Penny Scales Make Millions,” the New York Times declared in 1927, reporting that 40,000 penny scales had profited \$5 million the previous year. Americans had stepped onto the scales 500 million times, the paper stated. But those were just the public ones.

The first so-called bathroom scale went on sale in 1913 (again, imported from Germany), and somehow managed to sell, despite the fact that the vast majority of Americans didn't even have flush toilets. The advent of WWI brought an end to German imports, but not the scale fad. The first American-made bathroom scale came out in 1917, quickly followed by a handful of others as enterprising engineers and investors seized on the ever-rising demand for this product. The Detecto Scale Company formed in 1921, and by 1925 claimed their scale alone was used by over 1 million people. It wasn't that penny scales were any less popular, but that self-weighing in general was more popular than ever. In 1928 the Los Angeles Times ran a story about a Mrs. F.C. Roberts, the wife of a penny-scale distributor, who'd recently gone to a car dealership and paid for her new Nash with 30,000 pennies, delivered in sacks. While Mrs. Roberts' pile of change might have made for good headlines (and a photo, no less), her wealth was not surprising. After all, as the Times noted, “the American public spends over \$80,000,000 annually” to weigh themselves both in private and public.

A lot was going on, all at once: industrialization, rapid advancements in public health and science, modern media, modern war — just to name a few. Americans had both brand-new concepts of health and longevity, and very old biases about weight and morality. The scale — this ingenious, fortune-telling, technological wonder — seemed somehow capable of measuring them all at once.

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It wasn't until this curious turning point in the early 20th century that the general public and the medical community — in that order — began to treat weight as a health factor, and eventually a health panic. Unlike other paradigm shifts in public health (the campaign against cigarette smoking, the use of seat belts), this one did not originate with any major scientific research. People were watching and worrying about weight before their doctors were. For starters, “health” was a whole new thing. Massive medical breakthroughs and societal advancements meant people were living much longer, and dying from very different illnesses than they used to. Modern sanitation systems, vaccination programs, penicillin, pasteurization, epidemiology, the discovery of the vitamin, and the promotion of basic hygiene — all these great leaps forward resulted in a significant rise in life expectancy, a huge drop in infant mortality, and a great reduction of contagious illnesses.

In 1900, infectious diseases — tuberculosis, pneumonia — were the leading causes of death, as had been the case for most of early modern history. By 1930, degenerative diseases — cancer, cardiovascular disease — had supplanted them. Certainly, heart disease had always been around, but drew little attention compared to horrors like TB and diphtheria, which descended and destroyed like an evil spell. No one had worried as much about chronic illness previously, because up until this point, sickness and longevity seemed completely out of our hands. If you encountered some “bad air” and got cholera, that was that.

There was a general fixation at this time with the concept of a quantified, perfected human body (and human population). Pseudo-sciences like phrenology garnered renewed interest, and states enacted forced sterilization programs. Parents entered their infants into “Better Baby” contests, where they would be measured and examined against other babies to determine which was “best.” The eugenics theory became the eugenics movement, and soon enough, eugenics laws. The conflation of physical attributes with health, and health with human value had been validated by none less than the United States government. Was it any wonder that Americans were standing in lines and shelling out millions to see that number on the scale? That number could tell them not just what their bodies weighed, but what they themselves were worth. It was knowledge — or at least, it was information.

Enter the Metropolitan Life Insurance Company. Life insurance companies gave Americans the tools to figure out the meaning of the results of what these scales were saying. The life insurance industry had begun using height and weight tables (a concept created by Belgian mathematician Adolphe Quetelet, also the inventor of the BMI) in the mid-1800s as a tool to assess mortality risk. These early tables were meant to reflect the average height and weight of American men and women — but there was no industry standard on these numbers, nor enough data to create one. Each company had its own version of “average,” and for the most part were concerned with those who fell below it. “They often rejected the young and underweights, because a little extra

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fat on your bones was considered a benefit,” particularly when it came to surviving infectious illness, says Czerniawski. It also meant you could afford to eat well, and likely had some money in the bank.

But like everything else, that changed at the turn of the century. Weight tables were first standardized, not by a medical body, but by George R. Shepherd, the medical director of the Connecticut Mutual Life Insurance Company. Shepherd came up with his figures using data from 700,000 policyholders, and his numbers became the first weight “standards.” Anything 20% above or below these average weights Shepherd declared risky. The weight tables were continuously tinkered with, and there was always controversy within the industry over the thresholds of risk. But at that time, they were also originally just internal tools and generally only based on men. Yet public interest in weight and health, and control of both, only grew larger and more fraught. During World War I, being fat was deemed both unhealthy and unpatriotic. “Food Will Win the War,” declared the newly formed United States Food Administration, which launched a massive propaganda campaign promoting food conservation. American soldiers needed sugar for energy on the front. Our allies would starve without American meat. Our amber waves of grain would save us from the looming threat of Bolshevism, “the handmaiden of hunger.” To be lean was to embody, “the spirit of self-denial and self-sacrifice” of a true American. But fatness was seen as a sign of treasonous indulgence.

The insurance industry jumped on board, launching welfare campaigns about the threat of fat. Many of these health campaigns were directed at women specifically, because they were the ones in control of domestic affairs. Women shopped for the household. Meanwhile, insurance table-makers began slowly but surely lowering the weights printed on their tables, inching away from “average” weights and toward those they deemed preferable. The WWI concept of patriotic thinness was soon reaffirmed during WWII — when more and more women were not just in charge of buying the bacon, but bringing it home. More women than ever had joined the workforce, gotten college educations, and suddenly had an unprecedented level of financial independence. It was during this war that the Metropolitan Life Insurance Company did something unprecedented as well: the company made the bold decision to publicly publish one of their weight tables, specifically, a table of “ideal” weights for women.

Half a century after first stepping on the scale, Americans now had the numbers to compare their own against. The insurance tables made a perfect companion to the bathroom scale, now a fixture in homes throughout the country. MetLife’s “ideal weights for women” was so well received that the company produced their list of ideal weights for men the following year. MetLife remained the authoritative voice on American weight (eventually swapping out “ideal weights” for “desirable” ones), until the Body Mass Index (BMI) took precedence in the 1980s.

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The weight tables were very problematic but they were much less harsh, really, than the BMI. The tables did account for things like gender, age, and frame (though this “metric” again was designed by MetLife). BMI is just a math equation; it does not measure nor account for things like muscle mass, insulin sensitivity, genetic history, or other factors contributing to health and size.

The BMI was widely adopted in 1985 — 100 years after that first penny scale arrived in the United States, with all those bells and whistles. And just like the scale itself, the BMI boils us down to a tidy number, giving us a little information if not much useful knowledge. Yet, both the BMI and the bathroom scale remain fixtures in our lives. Despite countless competitors, some of the very first scale companies, including Detecto, are still in business today, and projections estimate the market for bathroom scales will surpass \$2.8 billion by next year. There's no current data on just how many Americans have them in their homes today, but it is an easy assumption that a majority do.

Design and Engineering of Scales

When designing or selecting an industrial scale for a product, suppliers must consider application specifications such as the setting in which a customer plans to use it, the type of materials it must weigh, the minimum and maximum weight it must discern, and its required accuracy. Scales suppliers typically carry a stock of standard scale designs, but they can also customize scales per customer requirements. For example, they can design scales with a wide range of weighing capacities spanning from just a few grams to upwards of 80,000 pounds. Also, they can design scales to weigh anything from truck loads to gaseous materials in a laboratory.

Of course, a scale that can weigh several thousand pounds is of no use if it cannot produce an accurate readout. Unfortunately, this is sometimes the case with larger scales, which may round as far off as the nearest half pound. For example, many truck scales measure to the nearest tonnage, instead of weighing it exactly. Many small scales, on the other hand, can weigh material correctly down to the milligram. This is why it is important that you communicate just how accurately you need your scale to work.

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Features

Scales feature a means to measure the weight of a load, and a way to read that measurement. Any given scale may use springs, load cells, balance, hydraulics, or a combination therein to determine weight. To display the weight, scales feature either analogue or digital readouts. Analogue displays show measurements taken on a turning dial, while digital displays show measurements as digital numbers on a small screen.

Types

To serve a diverse set of applications, scale manufacturers produce many types of industrial scales. One of the numerous ways that industrial scales can be categorized is by the mechanism or technique they use to weigh a load. Some of the most common industrial scale types categorized this way include hanging scales, crane scales, platform scales, and balance scales.

Hanging scales, also known as hang scales, vary in size from pocket-sized luggage scales to crane scales. A type of spring scale, hanging scales suspend the load they are weighing from a hook or chain, while sensors above the load take measurements.

Crane scales can be categorized as hanging scales, but commonly, instead of using a spring, or along with a spring, they work using hydraulic power. In addition, as crane scales, which can also be used to weigh luggage and determine the weight of caught fish, become available in smaller sizes, the hanging aspect becomes less prevalent.

Platform scales consist of a scale pan or surface upon which items are placed and a system of springs, load cells, or levers, which are organized underneath the surface, calculate the weight of the items set on it. Some platform scales have only one surface, or platform, as is the case with bench scales and floor scales, while other platform scales have multiple platforms.

Balance scales, also sometimes known simply as “balances,” measure units of mass. Technically, they are a type of platform scale. In a traditional configuration, they do so with the assistance of two weighted pans and a beam, or a pivoted, horizontal lever with arms of equal length, from which they are suspended on either side. To determine mass, a technician place the item in one pan, while in the other they place standard masses of known weight, until the beam comes as close to a balance, or equilibrium, as possible. Variations on the traditional balance

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scale include the microbalance, the pendulum balance scale, the analytical balance, the electronic analytical balance, and the Roberval balance as well as other types and variations as denoted below:

Other scales that customers can choose from include bench scales, counting scales (count scales), digital scales, electronic scales, portable scales, medical scales, pet scales, and kitchen scales.

Bench scales are lightweight scales small enough to be placed on a table, counter, or bench. They can be used to weigh pills at a pharmacy or groceries in a checkout line.

Counting scales are designed to count coins, other currency or specific products. To do so accurately, they use an artificial memory, stored with information about the weight of each individual item (nickel weight, quarter weight, etc.). Also, they can record the number of those individual items they have weighed.

Digital scales display load weights on a digital display. They are much easier to read quickly than scales with analogue readouts and are often more accurate.

Electronic scales, or electronic weigh scales, calculate loads using electrical signals, currents, and charges. Also, they use an electric motor. Virtually any scale can be an electronic scale.

Portable scales are scales that users can move from one location to another. They are assets in areas where objects are too heavy to move far.

Medical scales are scales that doctors, nurses, researchers, and the like use to weigh people or specimens.

Pet scales are weighing scales that veterinarians use to weigh animals.

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Kitchen scales are weighing scales that chefs in both commercial settings and home settings use to weigh the amount of food or drink they're using before they add it to their dish.

Accessories

Examples of industrial scale accessories that might be of use include remote indicators, tables, stands, cables, power adaptors, printers, barcode scanners, and foundations.

Proper Care

To keep industrial scales working accurately for a long time to come, they need to be stored up off the ground and away from the elements. Also, if and when moved, it should be with care. Watch out for potential sources of error, such as air gusts, friction, settling dust, miscalibration, condensation, evaporation or convection, vibration, misalignment of mechanical parts, and buoyancy.

Standards

No matter the application or style, one thing all United States made scales are guaranteed to have in common is their adherence to the accuracy and worker safety standards laid out by the National Institute of Standards and Technology. If buying from scales manufacturers that follow the guidelines of NIST, there is confidence in the machine's ability to reduce both machine and worker overload.

The global health and wellness market has reached a market evaluation of \$1.5 trillion and growing at a rate of 5.0% - 10.0% per year, according to a recent McKinsey survey. Consumers are increasingly concerned with their physical and mental health in the wake of the pandemic and the current market suggests they're willing to pay for the products and services they believe in.

The health and wellness market has also changed by definition over the years. These days, health and wellness blankets roughly six categories including health (vitamins, over-the-counter

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products, etc.), fitness, wellness-oriented nutrition, wellness-oriented appearance, sleep, and mindfulness.

The specifics of these categories differ from country to country, but the trajectories of each remain positive on both regional and global scales. Further, we can expect a greater shift towards services including personal training, nutritionists, and counseling that addresses physical and mental health in 2022.

But that's not all, as consumers expect more personalized, digital services that span across numerous categories. The future of this \$1.5 trillion market is still to be determined but identifying consumer trends and behaviors should give retailers the confidence to adopt new practices in 2022.

Personalized Treatments and Services

Of the health and wellness trends, personalization has caught the attention of the global consumer market. What's surprising, however, is that consumers are increasingly willing to give away their personal information to receive personalized treatments and services.

Consumers are also prioritizing personalization now more than they did just a few years ago. Consumers in China and Brazil are most willing to trade privacy for personalization, but the percentage of consumers in the United States, United Kingdom, and Germany who've reported that they prioritize personalization stands at 88.0%.

For retailers, learning how to scale personalized content will make the difference between growing quickly and stalling out. Striking that balance is difficult, but a clear road map that includes both hyper and semi-personalized offerings, target demographics, and product variation is a good place to start.

Wellness Services

Whether it is personal trainers, counseling services, or nutritionists, wellness services are growing in popularity across consumer demographics. As the needs of consumers' mental and

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physical health adapt to the current climate, we can expect these services to provide a well-needed enhancement to the overall wellness space.

One of the most well-known subscription services in the wellness space is Peloton, which expanded its service offerings to include virtual classes, in-person studios, and a fitness app. Peloton's sales soared in light of the pandemic, but the trend towards at-home workouts has continued well into the later stages of COVID-19 as well.

Crucially, competing fitness brands will need to follow in innovative brand Peloton's footsteps by engaging with customers using digitally native services. Beyond gyms and exercise equipment, fitness brands can reach larger audiences by banding customers with virtual communities and connected devices.

A Competitive Market

Chopped up into (6) six categories including health, fitness, wellness-oriented nutrition, wellness-oriented appearance, sleep, and mindfulness, the health and wellness industry is exceedingly prominent in our day-to-day life. The global market looks more diverse, agile, and personalized every day. At the same time, there's more competition and brands will need to be purposeful about their offerings in 2022 and beyond.

Consumer trends and behaviors are shifting, but the pandemic left a significant imprint on today's most prevailing trends. Instead of falling back on old practices, brands should act with confidence knowing that consumers want more from their personalized products and services.

Market Analysis

The global electronic weighing machines market size was valued at United States \$3.7 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 3.1% from 2020 to 2027. Demand for electronic weighing machines is increasing in the commercial and residential sectors owing to increasing economic activities, technological advancements in laboratory balances and scales, and growing need to maintain precision in process. Reliability, accuracy, durability, portability, ease of calibration, and extra features are acting as major factors for increasing adoption and penetration of electric weighing machines. Moreover, these weighing machines have multiple units of measure so that units can be measured and converted into

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different units, such as grams and ounces. This aforementioned factor is shifting consumers' preference from traditional to digital/electronic weighing machines.

Increasing commercial activities is also fueling the growth of the market over the forecast period. While purchasing products, consumers prefer products with various certificates, such as the National Institute of Standards and Technology (NIST) certificate, National Conference on Weights and Measures (NCWM), and National Type Evaluation Program (NTEP).

Companies in the market are increasingly focusing on the introduction of compact and portable products in order to gain market share. Companies are focusing on the integration of advanced technology to achieve higher precision. For instance, in April 2019, Truweigh LLC launched a water resistance digital pocket scale. The product also comes with an IP65 rating, making it dust-proof. The pocket weighing scale comes with a white backlit LCD and black titanium chrome platform. Home-based business owners are the major consumers of portable weighing machines owing to the space-saving option, ease of portability, and similar accuracy.

However, one of the major factors acting as a restraint for the electronic weighing scale market growth is the requirement of electricity for the operation of the product and without electricity; the usage of the electronic weighing machines is not possible. This factor is influencing consumers to opt for a manual or spring weighing machine. Hence, developing countries facing a shortage of electricity may not have a higher adoption rate of the product. High maintenance costs, electricity bills, and high prices, when compared to the traditional and manual weighing machines, are acting as major challenges for the market in developing countries.

Type Insights

In terms of revenue, the retail scale segment dominated the market with a share of 33.1% in 2019. Increasing urbanization and a growing number of retail stores are acting as major factors for the growth of the segment. According to Census Bureau data, 2018 saw a net increase in retail stores in the United States. There were almost 3,100 more stores during the 4th quarter of 2018 compared to the 4th quarter of 2017. Similarly, stores with fewer than five employees witnessed an increase of 4,569 stores as of the 1st quarter of 2018 compared with the 1st quarter of 2017.

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Distribution Channel Insights

The offline segment dominated the market with a share of 94.5% in 2019. Brick and mortar retail stores, including distributors, specialty stores, hypermarkets, and supermarkets, are the most preferred distribution channels. Most consumers prefer buying an electronic weighing machine from offline stores as they can check the quality and functionality of the products before buying them. In addition, offline stores offer after-sales support pertaining to issues related to products. Moreover, it is easier to communicate to these stores for claiming guarantees or warranties. Thus, the abovementioned factors attract consumers to purchase products from offline retail outlets.

In terms of revenue, the online segment is expected to expand at the fastest CAGR of 3.8% from 2020 to 2027. Online channels are hosted by businesses that are into e-commerce as well as by manufacturers that have realized the potential of these channels, and thus have hosted their websites to better cater to the customer needs. The availability of a wide range of products with an option to compare them based on features and prices, coupled with swift product delivery and easy returns policies, is anticipated to drive the segment. Consumers can often prefer multi-brand online retailers to save time.

North America is expected to expand at a CAGR of 3.2% from 2020 to 2027. Increasing automation across the region is driving demand for electronic weighing machines. The United States holds a major share in the region owing to the vast pharmaceutical sector, strong retail channel, and growing demand from households in order to keep track of health. This aforementioned factor is acting as a major driver for the market in the region.

Key Companies and Market Share Insights

The global market is characterized by high competition. Companies are focusing on increasing product launches in order to gain market share. For instance, in 2018, Kern & Sohn GmbH launched a premium analytical balance with single-cell generation for rapid and stable weighing results. The device also comprises a bright OLED display with a large viewing angle and USB interfaces for the transfer of weighing data to external devices. Some of the prominent players in the electronic weighing machines market include:

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A&D Company, Ltd.

Mettler-Toledo International, Inc.

Doran Scales, Inc.

Essae-Teraoka Pvt. Ltd.

Fairbanks Scales Inc.

Kern & Sohn GmbH

BONSO Electronics International Inc.

Shimadzu Corporation

Sartorius Group

Avery Weigh-Tronix, LLC.

Obesity

People who are overweight or have obesity face a lot of health complications, negative consequences, and concerns. In fact, being overweight or having obesity increases a person's risk for many diseases and health conditions. Unfortunately, obesity rates in the United States are rising. With that statistic comes some staggering costs.

In the United States, 36.5% of adults have obesity. Another 32.5% of American adults are overweight. In all, more than two-thirds of adults in the United States are overweight or have obesity. Around 17.0% of American children ages 2 to 19 have obesity. That's more than 12.7 million American children. One in 8 preschoolers has obesity. The good news is obesity rates among preschool children have been falling in recent years.

If you are overweight or have obesity, your risk for dozens of diseases and conditions is higher. These include type 2 diabetes, heart disease, stroke, cancer, and many other diseases. Children who are overweight or have obesity are five times more likely to have obesity or be overweight

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adults than children of normal weight. This can increase their risk for many chronic diseases and health complications.

Researchers found that men with waist circumferences in the highest 10.0% of measurements were 20 times more likely to develop type 2 diabetes than men whose waist circumferences fell in the lowest 10.0%. Also, waist measurements may help predict which people with a low or normal weight are more likely to develop diabetes.

Globally, obesity is one of the top five leading causes of death. It causes more than 2.8 million deaths each year. The other four (4) leading causes are high blood pressure, tobacco use, high blood glucose, and physical inactivity.

Obesity costs Americans \$147 billion each year. People who have obesity pay more out of pocket than people who are not. In fact, the medical costs for people with obesity are \$1,429 higher each year than those of people with a normal weight.

Adults between the ages of 40 and 59 are more likely to have obesity. In fact, more than 40.0% of adults between these ages have obesity. Another one-third of adults age 60 and over have obesity, and another one-third (32.3%) of adults age 20 to 39 have obesity.

Men are more likely to be overweight than women, but 40.4% of American women have obesity. Meanwhile, 35.0% of American men have obesity. As of 2017, all 50 states have an obesity rate over 20.0%. Just two decades ago, no state had a rate above 15.0%. Five states have an obesity rate over 35.0%. West Virginia leads the group with 37.7% of adults having obesity. Mississippi comes in second with 37.3%. Alabama and Arkansas are close in the alphabet and tied for obesity percentages (35.7%). Louisiana rounds out the top five (5) with 35.5%. Colorado has the lowest rate of obesity as just 22.3% of people who live in the state have obesity. Washington, D.C., is a close second with 22.6%. Massachusetts, Hawaii, and California all have a population with obesity at or below 25.0%.

Today, Americans eat 23.0% more calories than we did in 1970. That can really add up. One of the leading causes of overweight and obesity is an imbalance of calories. When you eat more than you burn, your body stores the extra energy as fat. Over time, the pounds can begin to pile on. People who are overweight or have obesity miss about 56.0% more workdays than people of normal weight. While normal-weight employees miss an average of three days per year, overweight individuals and individuals with obesity miss approximately two additional days.

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The good news is obesity is largely preventable. A healthy diet and regular exercise can go a long way to help you reach and maintain a healthy weight. Otherwise, the realities of carrying around excess weight can start to creep up on you and take their toll.

Overweight and Obesity - Statistics 2022

Obesity is a medical condition characterized by having too much body fat, which can cause health problems and complications. Learning more about obesity is a helpful first step toward managing the condition and living a healthier life. Let's take a look at some obesity statistics, ways to treat obesity, and how to help prevent it.

Obesity is a medical condition that happens when someone has an excessive amount of body fat. Having too much body fat can increase the risk of getting additional health problems, and it can cause health problems of its own.

Healthcare providers can diagnose obesity based on body mass index (BMI), waist circumference measurements, and other symptoms. BMI factors in someone's height, body weight, age group, and sex. A BMI of 30 or higher often indicates obesity. Moreover, a waist measurement of over 35 inches for women and 40 inches for men may also indicate obesity. Additionally, here are some common symptoms of obesity: Being overweight; Tiredness; Joint or back pain; Low self-esteem/low confidence; Snoring and Increased sweating. Treatment for obesity often involves exercise, new eating habits, nutritional supplementation, medication, and in some cases, surgery.

On average, one out of every three adults is obese, which is about 36.0% of the population. The age-adjusted prevalence of obesity in adults from 2017-18 was 42.4%. By 2030, an estimated 20.0% of the world's population will be obese. About 18.5% of children ages 2 to 19 are considered obese in the United States.

One out of every 3 United States adults is obese. Non-Hispanic black women experience the highest rates of obesity in America at 59.0%. Obesity rates are higher for Hispanic, Mexican American, and non-Hispanic black populations than they are for Caucasians. The South and the Midwest have the highest obesity prevalence. All United States and territories have an obesity rate of at least 20.0%. Overall, adult obesity rates are higher for women. Four (4) out of (5) African-American women are overweight or obese. Obesity rates for men are highest for

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middle-income groups. Obesity rates for non-Hispanic white, non-Hispanic Asian, and Hispanic women are highest for lowest-income groups.

In the United States obesity is more prevalent among adults than youths. Childhood obesity is rising globally, with 43 million overweight and obese children under the age of 5. One in 6 children ages 2 to 19 are obese. Obesity is more prevalent among 6- to 19-year-olds than in 2- to 5-year-olds.

Overall Health and Obesity

Being obese can hinder someone's quality of life and have serious health consequences like developing heart disease, strokes, Type 2 diabetes, cancer, high cholesterol, high blood pressure, joint problems, and sleep apnea. There are more than 2.8 million hospital stays every year in the United States, where obesity is a cause or contributing factor. Approximately 300,000 people die from obesity in America every year.

The Costs of Obesity

The medical care costs of obesity are almost \$150 billion per year in the United States. Obese individuals spend about \$1,500 more on medical care for themselves than people of healthy weight. Obesity-related medical costs could rise by \$48 to \$66 billion per year by 2030.

Causes of Obesity

Obesity is thought to be caused by a combination of physical, psychological, environmental, and/or genetic risk factors. Some diseases and medical conditions can also cause or contribute to obesity. Here are some of the leading causes of obesity:

Lifestyle choices, including eating unhealthy, processed, and fried foods; physical inactivity; and smoking can lead to obesity.

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A family history of obesity could mean a person stores fat differently and metabolizes food slowly. Both of these factors can contribute to obesity.

Social and economic problems shape our health habits. For example, kids who aren't taught to eat healthily or exercise are more likely to become obese. Some studies show that having a low income can contribute more to obesity because of a lack of resources to buy healthier foods.

Underlying medical conditions, like polycystic ovary syndrome or Cushing's disease, can contribute to weight gain and obesity

Preventing obesity involves a combination of many changes, such as:

- Physical activity
- Eating healthy foods
- Reducing stress
- Limiting screen time
- Avoiding processed foods
- Consuming plenty of fiber
- Having strong support and social group interaction

A person whose weight is higher than what is considered to be a normal weight for a given height is described as being overweight or having obesity. According to 2017 – 2018 data from the National Health and Nutrition Examination Survey, nearly 1 in 3 adults (30.7%) are overweight, more than 2 in 5 adults (42.4%) have obesity and about 1 in 11 adults (9.2%) have severe obesity.

As well, about 1 in 6 children and adolescents ages 2 to 19 (16.1%) are overweight. Almost 1 in 5 children and adolescents ages 2 to 19 (19.3%) have obesity and an estimated 1 in 16 children and adolescents ages 2 to 19 (6.1%) have severe obesity.

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Body Mass Index (BMI) is a tool used to estimate and screen for overweight and obesity in adults and children. BMI is defined as weight in kilograms divided by height in meters squared. BMI is related to the amount of fat in the body. A high amount of fat can raise the risk of many health problems. A health care professional can determine if a person's health may be at risk because of his or her weight. The table below shows BMI ranges for overweight and obesity in adults aged 20 and older.

<u>BMI</u>	<u>Classification</u>
18.5 to 24.9	Normal / healthy weight
25 to 29.9	Overweight
30+	Obesity (including severe obesity)
40+	Severe Obesity

Children and Teens

A child's body composition changes during growth from infancy into adulthood, and it differs by sex. Therefore, a young person's weight status is calculated based on a comparison with other same-age and same-sex children or teens using CDC's age- and sex-specific growth charts. The comparison results in a percentile placement. For example, a boy whose weight in relation to his height is greater than 75.0% of other same-aged boys places in the 75th percentile for BMI and is considered to be of normal or healthy weight.

Children grow at different rates at different times, so it is not always easy to tell if a child is overweight. A child's health care professional should evaluate the child's BMI, growth, and potential health risks due to excess body weight.

<u>Weight Status Category</u>	<u>Percentile Range</u>
Underweight	Less than 5 th percentile
Normal/Healthy weight	5 th percentile to less than 85 th percentile

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Overweight	85 th to less than 95 th percentile
Obesity	95 th percentile or greater
Severe Obesity	120% of the 95 th percentile

Prevalence of Overweight and Obesity

Age-adjusted Percentage of United States Adults Overweight, Obesity and Severe Obesity by Sex

2017 - 2018

	<u>All (men / women)</u>	<u>Men</u>	<u>Women</u>
Overweight	30.7	34.1	27.5
Obesity (including severe obesity)	42.4	43.0	41.9
Severe obesity	9.2	6.9	11.5

As shown in the above table, nearly 1 in 3 adults (30.7%) are overweight. More than 1 in 3 men (34.1%) and more than 1 in 4 women (27.5%) are overweight. More than 2 in 5 adults (42.4%) have obesity (including severe obesity) and about 1 in 11 adults (9.2%) have severe obesity.

The percentage of men who are overweight (34.1%) is higher than the percentage of women who are overweight (27.5%). The percentage of women who have severe obesity (11.5%) is higher than the percentage of men who have severe obesity (6.9%).

Trends in obesity among children and adolescents ages 2 to 19 years also shows a trend upward, as represented in additional data from National Center for Health Statistics. The prevalence of obesity among children and adolescents ages 2 to 19 years roughly doubled between 1988 – 1994 and 2017 – 2018. Among children ages 2 to 5, the prevalence of obesity increased between 1988 – 1994 and 2003 – 2004, decreased between 2003 – 2004 and 2011 – 2012, and then increased again.

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Among children ages 6 to 11, the prevalence of obesity increased between 1988 and 1994 and again in 2003 to 2004, fluctuated over the next several years, and most recently (2013 – 2014 to 2017 – 2018) increased. Among adolescents, ages 12 to 19, the prevalence of obesity has increased between 1988 – 1994 and 2017 – 2018.

Affordability and Features of Home Scales for Self-Weighing

Individuals with overweight or obesity have increased risk of cardiovascular disease, type 2 diabetes and several forms of cancer. Sustained weight loss of as little as 3.0% – 5.0% can produce clinically meaningful reductions in cardio-metabolic risk factors and reduces the risk of developing type 2 diabetes. In most of these behavioral weight-loss interventions, the intervention includes three major components—dietary modification, increased physical activity, and behavioral strategies to promote and sustain lifestyle change.

Self-monitoring is an evidence-based behavioral weight-loss strategy grounded in behavior change theory, which includes tracking weight. Self-weighing promotes weight loss by helping individuals catch gains in weight and alert them to alter behaviors before the weight gain becomes significant. Self-weighing is more effective for weight loss than self-monitoring energy intake or activity among adults, and adherence with self-weighing is generally higher than for monitoring these other components. More frequent self-weighing, such as daily weighing, results in better weight loss and weight loss maintenance.

Having a scale in the home may increase feasibility of daily weighing. Industry standards for accuracy exist for home scale manufacturers and prior research has shown that digital home scales are generally accurate. To identify accurate scales, patients may rely upon assessments from consumer associations—some reports are freely available, while others may charge a fee to access. A recent study showed that most primary care patients are willing to self-weigh and to own a scale.

Home scales may facilitate the primary care clinician's ability to support patients between clinic visits—whether self-weighing is indicated for weight loss to treat obesity or for routine monitoring as part of heart failure management. However, buying a scale can be financially challenging for patients, particularly for low-income individuals. No broad insurance coverage currently exists to cover home scales as durable medical equipment; therefore, patients incur all costs. To date, no studies have described the typical costs to buy a home scale—an essential component for clinicians to discuss when counselling patients.

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The COVID-19 pandemic has demonstrated another role of home scales for primary care delivered via telemedicine—patients self-weighing to provide a vital sign. In this setting, digital connectivity technologies (e.g., Wi-Fi®, Bluetooth®) to transmit weights to the clinic can be invaluable for clinical care. However, patients would have to purchase a scale with such technology. Another important scale feature for clinical care is the weight maximum, as patients need to ensure that the scale can accommodate their weight. Other accessibility features such as a wall-mount display or audio function may help patients use scales who have disabilities (e.g., visual impairment). To date, no studies have determined the prevalence of scales with these features and whether such features are associated with increased scale costs.

For clinicians to effectively counsel patients on self-weighing as part of clinical care, they need to be aware of the costs and features available in typical home scales to help problem-solve with their patients. Therefore, the objectives are to describe the cost and features of best-selling home scales available online, and to understand the relationship between features and costs. The presence of digital connectivity and higher maximum weight would be associated with higher costs as compared to scales without these features.

Overall, mean selling price (cost to consumer) was \$28.99, and costs ranged from range \$7.20 to \$139.95. Distribution of scale costs—24.7% cost between \$15 and \$20, which was the most common price range. The distribution of costs was right skewed with expensive outliers.

The average selling price (i.e., cost to consumers) of best-selling home scales was approximately \$29. Most scales did not offer digital connectivity technologies. In addition, few scales could accommodate patients over 400 lbs. and very few offered features like audio function that can be key for patients with certain disabilities. Patients who need these features have limited options from which to choose. In contrast, features like body fat analysis and BMI calculation were available in over 25.0% of scales. The utility of these measures as part of self-weighing is unclear, and assessments of body composition through bioelectrical impedance analysis (BIA) may be subject to measurement error.

Scales with features such as digital connectivity, body fat analysis, BMI calculation, and ability to accommodate greater body weights were more expensive. Given that prior research has identified cost as a common barrier for low-income patients in accessing scales, these patients who would like to participate in telemedicine using digital connectivity or who have higher body weights may have difficulties finding a scale that they can afford with the features that they need. In contrast, clinicians could advise patients that they do not need to pay more for a scale that has

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body fat analysis and BMI calculation, as these estimates do not have a clear role in self-weighing.

Since self-weighing is an evidence-based and effective weight management strategy, identifying and testing strategies that could address the financial barriers to obtaining a scale are needed. One promising solution could be insurance coverage for scales, as buying a scale can be economically challenging for patients. There is precedence for insurance coverage of durable medical equipment, such as blood pressure cuffs, glucometers, continuous positive airway pressure devices, nebulizers, wheelchairs, and oxygen equipment. Clinicians could apply this existing infrastructure for prescribing durable medical equipment to scales, so that these devices could be delivered to patients' homes or available at pharmacies.

Previously, the Centers for Medicare & Medicaid Services (CMS) extended Medicare coverage of ambulatory blood pressure monitoring devices in response to a formal request for widened coverage determination from medical organizations including the American Heart Association and American Medical Association. The results of this study may contribute to the evidence to support future efforts by organizations such as The Obesity Society or the American Board of Obesity Medicine to lobby CMS to extend this coverage to Medicare beneficiaries. Given the current COVID-19 pandemic, organizations outside the obesity field might also join such an effort in order to improve remote telemedicine care delivery by having a home scale available to capture patient weight.

Stating maximum weight capacity was not required by the online retailer, as 5.2% of scales' webpages did not contain this information. Failure to provide this information could make identifying an appropriate scale challenging for patients, particularly patients with class 3 obesity. Second, very few scales offered features adapted to disabled populations—audio function so patients with visual impairment can hear their weight or a wall mounted display to make accurately reading the output for patients with physical challenges or mobility issues. Lack of these adaptive designs may impair these populations engagement in weight management and comprehensive telemedicine services.

Scales with advanced features, such as digital connectivity, body fat analysis, and BMI calculation, were more expensive. Scales that can accommodate higher weight were also more expensive, which may limit options for patients with class 3 obesity. In the future, insurance coverage for home scales could be a strategy explored to reduce cost as a barrier to scale access.

Self-weighing is an evidence-based weight management strategy, which requires patients to have a home scale. For clinicians to effectively counsel patients on self-weighing, they should be

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aware of the costs and features available in typical home scales. Individuals with overweight or obesity have increased risk of cardiovascular disease, type 2 diabetes and several forms of cancer.

Sustained weight loss of as little as 3.0% – 5.0% can produce clinically meaningful reductions in cardio / metabolic risk factors and reduces the risk of developing type 2 diabetes. In most of these behavioral weight-loss interventions, the intervention includes three major components—dietary modification, increased physical activity, and behavioral strategies to promote and sustain lifestyle change.

Recent Trends – Adult Obesity Rate

2017-2022 Compound Growth:	1.8%
Forecast Value for 2027:	35.4 people per 100 individuals
2022-2027 Compound Growth:	1.4%

This driver measures the percentage of United States citizens aged 18 and older who are considered obese based on their body mass index (BMI). Data is sourced from the Centers for Disease Control and Prevention (CDC).

The obesity rate in the United States among adults has consistently increased. The most common causes of obesity are overeating and physical inactivity. However, obesity may also be influenced by genetics, metabolism, environment, behavior and culture. According to the CDC, additional contributing factors relating to United States society include food and physical activity environment, education and skills, and food marketing and promotion. Obesity is associated with poorer mental health outcomes, reduced quality of life, and the leading cause of death, diabetes, heart disease, stroke and some types of cancer.

Over the five years to 2022, the obesity rate among adults aged 18 and older has increased an annualized 1.8% to 33.0 people per 100 individuals. There are a multitude of factors influencing this increase during the period, as well as over the long-term. Our modern work environment, which has become increasingly less physical, has drastically increased inactivity. The COVID-19 pandemic has further introduced a sedentary lifestyle through mandated stay at home orders

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and business closures. Individuals reported weight gain during the first year of the pandemic, likely due to stress surrounding the virus coupled with lack of access to recreational activities and food insecurity. Compounding this effect, individuals are not offsetting this with increased exercise during their leisure time. A study by Harvard University found that heavy-duty TV watchers ate fewer fruits and vegetables, had larger waistlines and higher levels of blood pressure, blood sugar, and triglycerides. In addition, food marketing and an emphasis on consumption has driven an attitude around eating that favors large portion sizes and excess.

Adult Obesity Rate

Total (2022)	Annualized Growth 2017 - 2022
33.0%	+1.8%

Bathroom Scales / Availability of Choices

The sheer number of options available for bathroom scales is staggering. A scale with all of the bells and whistles can be great for serious weight loss efforts, but some people are simply looking for a scale to occasionally track their weight. Determining which type of scale will work best for an individual is simply a matter of evaluating their needs and matching the results to the appropriate scale. Here are 4 factors to consider when choosing the best bathroom scale

Scales have a limited weight capacity, with most standard scales having a maximum weight of 300 pounds. However, older models tend to be less accurate for people who weigh over 250 pounds. There are some scales that are specifically made for larger individuals. These scales have an expanded weight capacity to ensure that you'll get an accurate reading every time. Scales are available with maximum weights of up to 650 pounds.

Modern digital scales typically come with an automatic calibration feature, meaning that your scale will automatically zero out when you step off for more accurate readings. Keep in mind that not all scales on the market have this feature - you will have to manually zero the scale each time you step off of it. Analog scales must be manually calibrated, and manual calibration allows for adjustments that do not accurately reflect a person's weight. You may be tempted to calibrate your scale to weigh light if you opt for an analog scale.

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Some digital scales come with a body fat measurement feature. These scales have a metal surface that allows for calculating a user's body fat percentage. You can use this information to evaluate your diet or exercise plans. This feature is recommended for people who are interested with improving their overall fitness and health. Body fat measurements can also be referenced during appointments with your medical provider to determine whether you will need to lower this measurement. Overall health is not always determined by your weight, and the makeup of your body weight is an important component of your health.

Analog scales are as precise as your eyesight. You can try to determine whether you are in between pounds, but there is no way to know for sure if you have lost a fraction of a pound. Digital scales offer detailed measurements that can weigh down to one-tenth of a pound. However, some digital scales only offer one-half of a pound as the most precise measurement. Opt for a model that offers precise measurements if you worry about small losses. Discovering that you have lost as little as one-tenth of a pound can be more encouraging than believing that you haven't lost anything because of an imprecise measurement. All in all, there are a variety of scales available to fit your lifestyle without compromising your budget. Finding the right scale for your needs simply takes a little time and research.

A sampling was taken at two (2) major stores that sell an abundance of these types of consumer bathroom scales, at both Target and Bed Bath and Beyond. At this time, Target had approximately (80) eighty scales listed for sale on their website ranging from \$12.99 for an analog scale to \$349 for a digital smart scale, with an average listed price of \$44.27. Bed Bath and Beyond has a listing of approximately (40) forty scales on their website, ranging from \$10 for some analog versions up to \$173 for digital scales, with an average listed price of \$46.27. There were a total of (68) sixty-eight scales under \$50 at Target and 45 scales under \$50 at Bed Bath and Beyond.

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Bathroom Scales Manufacturers

There are many different types of bathroom scales on the market, but not all of them are made in the United States. If you're looking for a bathroom scale that's made in America, there are a few things to keep in mind. First, look for a scale that's been certified by the National Scale Manufacturers Association (NSMA). This certification ensures that the scale meets certain standards for accuracy and durability. Second, check the label to see where the scale was manufactured. Many scales that are sold in the United States are actually made in China or other countries.

A consumer considers their budget and chooses a scale that fits their needs. There are basic models available for around \$20, or you can opt for more advanced features like Bluetooth connectivity and body composition analysis for a higher price tag. No matter what your budget is, you should be able to find an American-made bathroom scale that meets your needs.

When it comes to finding the best United States made bathroom scale, you want to make sure that you find one that is accurate and reliable. There are a few different factors that you will want to consider when making your decision. First, you want to consider the size of the scale. You will need to determine how much weight you need it to accommodate. If you have a smaller bathroom, then you may not need a large scale. However, if you have a larger bathroom, then you may want to consider getting a scale that can accommodate more weight. Second, you will want to think about the accuracy of the scale. You should make sure that the scale is accurate within a few pounds. Third, you should consider the price of the scale. You do not want to spend more than necessary on your new bathroom scale. Finally, you will want to read reviews of different brands and models before making your final decision. This will help ensure that you are getting a quality product.

There are a few companies that manufacture them, and they range in price and quality. Some of the more popular brands include American Weigh Scales, Ohaus, and Adam Equipment. These scales are generally accurate and durable, making them a good choice for those who need a reliable scale. Detecto scales are made in the United States. The company was founded in 1900 and is headquartered in Webb City, Missouri. Its products are sold in over 130 countries around the world.

In addition, Health-o-Meter® scales are made by a company called Sunbeam Products, Inc. They have been in business for over 100 years and are one of the leading manufacturers of health and wellness products. Their products are available in over 50 countries around the world.

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Health-o-Meter® is a United States based company that manufactures bathroom scales (among other things). Their products tend to be on the more expensive side, but they're also very well-made.

Eat Smart Precision GetFit Digital Body Fat Scale. This United States made body fat scale is perfect for anyone wanting to monitor their health and fitness progress. It uses bioelectrical impedance analysis (BIA) to provide accurate readings of body fat %, water weight, muscle mass, and bone density.

American Weigh Scales makes a wide variety of digital and analog scales, including bathroom scales. Their products are generally very accurate and reasonably priced.

Taylor Precision Products®: Taylor Precision Products® is yet another United States based manufacturer of bathroom scales (as well as other types of precision instruments). Like Health-o-Meter®, their products are higher-priced but also very well-made and supported by great customer service.

Other options include some foreign made scales as noted below:

Nicewell® is a Chinese company that specializes in the production of scales and other weighing devices. The company was founded in 2003 and has since grown to become one of the leading scale manufacturers in China. All of Nicewell's® products are designed and manufactured in-house, from start to finish. This allows the company to maintain a high level of quality control throughout the production process. In terms of materials, Nicewell® uses a variety of different metals and plastics in its products. The specific materials used will vary depending on the type of scale being produced. For example, bathroom scales will typically use stainless steel or aluminum for the main body, while kitchen scales may use plastic or glass for the platform.

The assembly process for Nicewell® scales is also done entirely in-house. This helps to ensure that each scale is put together correctly and meets all quality standards. Once assembled, each scale undergoes rigorous testing before it is shipped out to customers. This testing includes both accuracy checks and durability tests to make sure that the scale can handle regular use without issue. So, if you're looking for a well-made set of bathroom scales, Nicewell's® offerings is a viable choice. With their high level of quality control, you can be confident that you're getting a product that will be durable with longevity.

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Air Travel with Scales

When traveling, you have to check what you can and cannot bring. The restrictions on carrying certain items change from airline to airline. Some airlines will allow you to carry electronic devices, while others will prohibit you. Before confirming the tickets, make sure you read the policies of the plane and check the list of items you can bring. Some airlines can give you a soft corner if you are trying to bring in a small item, but for more oversized items like a weighing scale, you have to keep in mind the airline's policies.

The first item on the list of items you can't bring on a plane is weighing scales. If you want to bring the lightweight digital weighing scale, you would first have to inform the airline. Although some airlines do accept electronic devices after taking out the batteries, it could still be dangerous. Many airlines don't even allow bigger-sized laptops because they tend to explode due to air pressure. If the airline allows you to keep the weighing scale, make sure you take out the batteries and keep the device somewhere safe so that it doesn't get damaged during the process of loading off luggage.

Although some airlines might allow carrying a weighing scale, it isn't recommended. If you want to carry a weighing scale for an important purpose, then we suggest you buy a scale that is lightweight so that the weight of the luggage doesn't exceed. Many weighing scales come in portable shapes and sizes. You can buy those to free yourself from the hassle of carrying more luggage. You can also buy small weighing scales that are used to weigh items by simply clipping them with a wire.

When packing, you must make sure your luggage stays within the range of what is acceptable at the airport. Keep the weighing scale in between some clothes so that it doesn't get damaged when the bag is handled by airport security. Also recommend is weighing your luggage beforehand, so you know what to pack and how much to carry. You can also carry a handheld weighing scale for ease.

If the plane doesn't allow you to carry a hefty weighing scale, you can also opt for cargo delivery. They will pack the items in front of you before boarding, and the items will be carried around by another cargo plane. This would keep the item safe, and once you get off, you can easily check the cargo and take out your items. The airline will make sure that your item arrives safely without any damage. Although you would have to pay a little extra for the cargo plane, it is a much better choice than handling a weighing scale on your own. If the weighing scale is of a

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smaller size, personal luggage will make do, but for bigger items, the cargo plane is the only option.

Although most airlines have different policies on what to bring when it comes to small-sized items, every airline has strict policies that remain the same no matter where the plane is going. These policies are to make sure that individuals aren't bringing in harmful items that could be used to pose a threat to the passengers or that have a high tendency to explode. Those items should be avoided at all costs. These items include:

Drills

Ice skating shoes

Fireworks since they tend to explode

Perfume

Because glass can shatter under pressure, alcohol bottles should be avoided

Crochet needles

Batteries

Electronic devices

Cables

Stun guns or martial arts equipment that could pose harm to people

Before packing, make sure you read the airlines' policies and pack accordingly to avoid any delays.

Outline of Travel Scales

Having a scale to take with you while traveling is a convenience that would be appreciated by many travelers. With airlines having limitations and restrictions on digital devices carried or packed on their planes, there have been extremely limited options for such devices. New technology has created a mini travel bathroom scale with a slip-on carry case to allow it to be scanned without removing the battery at airports.

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The NewlineNY® mini bathroom scale is a new design featuring light weight and an attractive appearance. It is portable to monitor your weight when traveling or anywhere you go. The scale is small (9.25" x 5.25") but would not reduce the weighting function and accuracy. It's not only perfect for toddlers, but excellent for teens or adults. This scale also comes with the latest auto-step-on technology. There is no need to tap, consumer simply steps on the scale to get a reading with 5 a second automatic shut-off function to preserve battery. The scale features a wide platform and a large LCD display. The NewlineNY® ultra slim scale comes in a choice of colors: Black, Green, Red-Orange, White or Trendy Wave.

This company has also developed a smaller version for easier packing. Whether you are a dieter, athlete, chef, health conscious or anyone who needs to have a scale with them all the time, this is the perfect travel companion. You can check your weight daily or as needed. NewlineNY's® super mini series travel scale is very compact ("8.5 x 5.5"), thin (0.6"), lightweight (20 oz.) and comes in various colors and designs to match your taste. It has the features of a full-size scale: large display, switchable unit options (lb, kg or st), auto "Step-on" & "Auto-off" technology, and non-slip footing. It fits neatly into even small luggage and comes with a soft neoprene sleeve for premium protection. It is a space saver to use at home or office when not traveling and can fit in most vanity drawers.

The Electronic Weighing Machine **Market Size, Share, Trends and Segment Forecast for 2020 - 2027**

The global electronic weighing machines market size was valued at USD 3.7 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 3.1% from 2020 to 2027. Demand for electronic weighing machines is increasing in the commercial and residential sectors owing to increasing economic activities, technological advancements in laboratory balances and scales, and growing need to maintain precision in process. Reliability, accuracy, durability, portability, ease of calibration, and extra features are acting as major factors for increasing adoption and penetration of electric weighing machine. Moreover, these weighing machines have multiple units of measure so that units can be measured and converted into different units, such as grams and ounces. This aforementioned factor is shifting consumers' preference from traditional to digital/electronic weighing machines.

Increasing commercial activities is also fueling the growth of the market over the forecast period. While purchasing products, consumers prefer products with various certificates, such as the National Institute of Standards and Technology (NIST) certificate, National Conference on Weights and Measures (NCWM), and National Type Evaluation Program (NTEP).

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Companies in the market are increasingly focusing on the introduction of compact and portable products in order to gain market share. Companies are focusing on integration of advanced technology to achieve higher precision. For instance, in April 2019, Truweigh® LLC launched a water-resistant digital pocket scale. The product also comes with an IP65 rating, making it dust-proof. The pocket weighing scale comes with a white backlit LCD and black titanium chrome platform. Home-based business owners are the major consumers of portable weighing machines owing to the space-saving option, ease of portability, and similar accuracy.

However, one of the major factors acting as a restraint for the electronic weighing scale market growth is the requirement of electricity for the operation of the product and without electricity, the usage of the electronic weighing machines is not possible, where AC adapters are the sole power source. This factor is influencing consumers to opt for a manual or spring weighing machine. Hence, developing countries facing a shortage of electricity may not have a higher adoption rate of the product. High maintenance costs, electricity bills, and high prices, when compared to the traditional and manual weighing machines, are acting as major challenges for the market in developing countries. The availability of battery operation or hybrid (AC adapter and battery operation) may alleviate some challenges to ownership.

Type Insights

In terms of revenue, the retail scale segment dominated the market with a share of 33.1% in 2019. Increasing urbanization and a growing number of retail stores are acting as major factors for the growth of the segment. According to Census Bureau data, 2018 saw a net increase in retail stores in the United States. There were almost 3,100 more stores during the 4th quarter of 2018 compared to the 4th quarter of 2017. Similarly, stores with fewer than five employees witnessed an increase of 4,569 stores as of the 1st quarter of 2018 compared with the 1st quarter of 2017.

The laboratory-scale category is expected to expand at the fastest CAGR of 3.6% from 2020 to 2027. The segment is majorly driven by technological advancements in lab scales and growing research projects in the pharmaceutical and biotech companies. In June 2019, RADWAG Balances and Scales launched 4Y PLUS laboratory balances with a reflex level system and radwag connect in order to gain remote control of the balance.

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Distribution Channel Insights

The offline segment dominated the market with a share of 94.5% in 2019. Brick and mortar retail stores, including distributors, specialty stores, hypermarkets, and supermarkets, are the most preferred distribution channels. Most consumers prefer buying an electronic weighing machine from offline stores as they can check the quality and functionality of the products before buying them. In addition, offline stores offer after-sales support pertaining to issues related to products. Moreover, it is easier to communicate to these stores for claiming guarantees or warranties. Thus, the abovementioned factors attract consumers to purchase products from offline retail outlets.

In terms of revenue, the online segment is expected to expand at the fastest CAGR of 3.8% from 2020 to 2027. Online channels are hosted by businesses that are into e-commerce as well as by manufacturers that have realized the potential of these channels, and thus have hosted their websites to better cater to the customer needs. The availability of a wide range of products with an option to compare them based on features and prices, coupled with swift product delivery and easy returns policies, is anticipated to drive the segment. Consumers prefer multi-brand online retailers to save time.

Regional Insights

Asia Pacific dominated the market for an electronic weighing machine with a share of 35.7% in 2019. The strong presence of regional players is acting as a major factor for market growth. A high number of retail stores and laboratories and growing health awareness among consumers are driving demand for the electronic weighing machines in the region. China and India are the major shareholders and contributors to regional market growth. The low cost of the product in the region owing to the presence of regional players is a major reason behind higher penetration and the strong dominance of regional players in the region.

North America is expected to expand at a CAGR of 3.2% from 2020 to 2027. Increasing automation across the region is driving demand for electronic weighing machines. The U.S. holds a major share in the region owing to the vast pharmaceutical sector, strong retail channel, and growing demand from households in order to keep track of health. This aforementioned factor is acting as a major driver for the market in the region.

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Key Companies and Market Share Insights

The global market is characterized by high competition. Companies are focusing on increasing product launches in order to gain market share. For instance, in 2018, Kern & Sohn GmbH launched a premium analytical balance with single-cell generation for rapid and stable weighing results. The device also comprises a bright OLED display with a large viewing angle and USB interfaces for the transfer of weighing data to external devices. Some of the prominent players in the electronic weighing machines market include:

A&D Company, Ltd.

Mettler-Toledo International, Inc.

Doran Scales, Inc.

Essae-Teraoka Pvt. Ltd.

Fairbanks Scales Inc.

Kern & Sohn GmbH

BONSO Electronics International Inc.

Shimadzu Corporation

Sartorius Group

Avery Weigh-Tronix, LLC.

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Electronic Weighing Machines Market Report Scope

Report Attribute	Details
Market size value in 2020	\$3.7 billion
Revenue forecast in 2027	\$4.8 billion
Growth Rate	CAGR of 3.1% from 2020 to 2027
Base year for estimation	2019
Historical data	2016 – 2018
Forecast period	2020 – 2027
Quantitative units	Revenue in \$Million and CAGR from 2020-2027
Regional Scope	North America, Europe, Asia Pacific, Central & South America, MEA
Country Scope	The US, Germany, France, The UK, China, India, Brazil
Key companies profiled	A&D Company, Ltd, Mettler-Toledo International, Inc., Doran Scales, Inc. Essae-Teraoka Pvt. Ltd, Fairbanks Scales, Inc., Kern & Sohn GmbH, BONSO Electronics International, Inc., Smimadzu Corporation, Sartorius Group, Avery Weigh Tronix, LLC

Industry Segments

Type Outlook (Revenue, USD Million, 2016 - 2027)

Laboratory Scale
 Gem and Jewelry Scale
 Retail Scale
 Health Scale
 Kitchen Scale
 Others

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Distribution Channel Outlook (Revenue, USD Million, 2016 - 2027)

Online
Offline

Regional Outlook (Revenue, USD Million, 2016 - 2027)

North America
The United States

Europe
Germany
France
The United Kingdom

Asia Pacific
China
India

Central and South America
Brazil

The Middle East and Africa

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SELLING VIA AMAZON - AN OUTLINE

[Background - Details - Operations Guideline]

In order for the Scorza Company / Scale product to reach the widest possible consumer purchasing audience, without having to raise significant additional capital and include supplementary partners and / or financial backers that would most probably require dilution of his ownership, sales of the scale product via the Amazon® Online System as selected as an initial step. Such initial step does **not** preclude, at a later time, sales of the scale product via traditional retail stores, such as Target®, Dillard's® or Neiman-Marcus®, but as an initial undertaking, on a cost efficient basis, the Amazon® System was selected.

A general / basic outline of the Amazon® System and its operations for and with a business such as Scorza Scales is outlined below. Note is made that a full and complete description of the Amazon® System and its wide ranging operational approach would be voluminous in nature and outside of the operational approach of this report. As such just an overall outline is included for a reader's ready reference and understanding.

Amazon® customers want a trusted destination where they can purchase a wide variety of goods—which is what makes sellers so important. Amazon® is always looking for ways to add value for their customers and be Earth's most customer-centric company. Amazon® sellers take part in offering customers better selection, better prices, and a top-notch experience. When a seller starts selling on Amazon®, they become part of a retail destination that is home to sellers of all kinds, from Fortune 500 organizations to artisan vendors who make handcrafted goods. They all sell here to reach the hundreds of millions of customers who visit the Amazon® platform to shop.

Amazon® is attractive for business via combination that the largest household brands sell on Amazon®, as well as emerging brands that will pop on the radar soon. Small and medium-sized businesses thrive here, and they account for more than half the units sold in Amazon® stores worldwide. Whatever the business is and whatever size it is, it has the ability to grow on Amazon®. Ecommerce business is a business model where buyers and sellers exchange goods and services with consumers over the internet. Two common types are Business to Business (B2B) and Business to Consumer (B2C) ecommerce. B2B sellers focus on selling products that other businesses may need, while B2C focuses on selling products to shoppers (or the end customer).

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Amazon Seller's Benefits

Amazon® is focused on creating a trustworthy shopping experience each and every day. Today, Amazon® and their millions of selling partners, the vast majority of which are small and medium-sized businesses, serve hundreds of millions of customers worldwide. These customers expect that when they purchase an item in the Amazon® store, sold either by Amazon® or by one of their third-party selling partners, they will receive an authentic product.

In 2021, Amazon® invested more than \$900 million and employed more than 12,000 people – including machine learning scientists, software developers, and expert investigators – who were dedicated to protecting customers, brands, selling partners, and the store from counterfeit, fraud, and other forms of abuse. The team has delivered incredible results – in partnership with rights owners, law enforcement, and others – to ensure the Amazon® store is one where customers can continue to shop with confidence. The Protection Report details a wide range of exciting progress. They remain focused on the same three key areas of strategy that were the focus last year: powerful and highly effective proactive efforts to protect the store, industry-leading tools enabling rights owners to partner with Amazon to better protect their brands and holding bad actors accountable. A few highlights include:

1. Robust seller and product vetting coupled with efforts to hold bad actors accountable are deterring bad actors from even attempting to enter the Amazon® store. In 2021, they stopped over 2.5 million attempts to create new selling accounts, preventing these bad actors from publishing even a single product for sale. This is down from over 6 million attempts the prior year.
2. Amazon® saw continued growth in the adoption and efficacy of their automated brand protection tools, which continue to reduce the number of issues that brands are able to find and report. In 2021, Brand Registry grew to include over 700,000 active brands, an increase of 40.0% from the prior year. At the same time, the average number of valid notices of infringement submitted by a brand in Brand Registry decreased by 25.0% from the prior year.
3. Amazon® continues to focus on ensuring counterfeiters are held accountable – stopping them from abusing the store and those of other retailers across the industry.

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- Amazon's® Counterfeit Crimes Unit (CCU) sued or referred for investigation over 600 criminals in the United States, United Kingdom, EU, and China, an increase of 300% from the previous year.

- Building on their learning and progress in protecting the Amazon® store, a blueprint was published for public and private sector partnership to stop counterfeiters. This included the importance of information exchanges in the private sector to stop counterfeiters across retailers, partnering with customs to protect the borders, and the need for increasing resources for law enforcement to prosecute counterfeiters. While it is still early in this journey, the blueprint has definitely helped spark productive dialogue with others and that the company is engaging in multiple data sharing pilots and seeing some early legislative wins.

Several new efforts were launched that educate consumers on why they should only purchase authentic products. They also continue to invest in how to proactively and reactively address issues. If something goes wrong, customers can be confident they will always be taken care of.

Since opening the doors in 1995, trust has been at the foundation of everything Amazon® does. Nearly 27 years later, they are more effective than ever at protecting customers, brands, selling partners, and the store. While the progress made so far has been impressive, they continue to work to drive counterfeits to zero in the store and will continue to invest and innovate until that goal is reached. The growing industry-wide partnership and collaboration in the fight against counterfeit is also valuable in working together to hold bad actors accountable and ensure the entire industry is rid of counterfeits.

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Seller Verification

In 2021, Amazon® made it even harder for a bad actor to register a selling account. A key part of the account verification process that helped make this possible is in-person verification program, which requires prospective sellers to have one-on-one conversations with one of Amazon's® team members to verify their identity and documentation. This process is further enhanced through verification of the seller's physical location and payment instruments. Machine learning models are also leveraged that use hundreds of data points about the prospective account to detect risk, including relations to previously enforced bad actors.

Continuous Monitoring

Amazon® is constantly monitoring the store for potential infringement. From the moment a seller lists a product for sale in the store, their advanced technology continually scans for potential counterfeit, fraud, and abuse – including as future changes are submitted for the product. When they need to take a closer look at a possible issue, listings are sidelined for detailed review by expert investigators. And when an issue is identified, quick action is taken to protect customers and brands, including removing the problematic content or listing, blocking accounts, withholding funds, and referring bad actors to law enforcement.

Information Exchange with the USPTO

Amazon® supports the goals of the United States Patent and Trademark Office (USPTO) to prevent fraud and abuse in the trademark system. High-quality trademark applications ultimately benefit all businesses, large and small, by quickly getting registrations into the hands of creators and innovators.

In 2021, Amazon® enhanced its communication and support with the USPTO. Amazon® now directly ingests information from the USPTO regarding registration status and parties that have been subject to USPTO sanctions, including colluding attorneys, to ensure that fraudulent trademark applications and registrations are not used to enroll in Brand Registry. Additionally, they leverage this information to surface signs of potential abuse within their stores. Similarly, Amazon® shares information regarding abusive behaviors and trends within our stores with the USPTO to support their investigation of potential fraud by their applicants and registrants. The channel of communication is a win-win – the USPTO is able to improve the quality of its information and Amazon® is able to improve the accuracy of Brand Registry. In 2021, this

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deepening level of dialog allowed them to stop 2,000 attempts to use a fraudulent USPTO trademark to register in Brand Registry.

Key Steps to launch an Ecommerce Business

Ecommerce businesses are booming. In 2020, more than 200,000 selling partners from around the world began selling in Amazon® stores in the United States. This represents a 45.0% increase over the previous year. Here are key steps when starting from scratch.

Research your business idea to come up with a product that will meet a customer needs;

Validate your product idea by talking to potential customers;

Consider how you will sell and ship your product to online customers;

Source products by procuring inventory or manufacturing your own;

Select online selling channels, which may include Amazon, your own website, or both;

Build your online storefront and add products;

Prepare an ecommerce fulfillment strategy to deliver orders to customers; and

Attract customers with ecommerce marketing and promotions, and other ways to grow your business.

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Small Businesses Earning over \$100,000 in Sales on Amazon

2020 - 2021*	250,000
2019	225,000
2018	200,000
2017	140,000
2016	100,000

**Global Seller Data – April 1, 2020 – March 31, 2021*

Researching Your Business Ideas

Before you start building a store, research your business plan to help make choices quickly and efficiently. There are several ways sellers decide what products to sell or build. Here are some common decisions to make when trying to start your ecommerce business.

Find a pain point or challenge worth solving

Finding a problem to solve for a specific audience is crucial for successful ventures. Some ideas—however innovative—can fail when they don't have customers to support them.

What problem or challenge are you seeking to solve? Who feels that pain point the most? Who would be most excited about solving this challenge?

For example, do you seek to make high quality kitchen utensils? Then people who enjoy cooking meals might be loyal customers. Are you selling thicker and more durable yoga mats? Then yoga practitioners and instructors might be your best advocates and fans.

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Think of the challenge your product may meet. Identify the users who will truly appreciate what you're trying to create, and keep them top-of-mind. This will guide your priorities; and

Be observant to find great product ideas.

Questions to Ask When Looking for Product Ideas

The easiest place to start researching your business idea is within your immediate surroundings. Find out the goals, aspirations, or challenges of people around you, then find products to help them. By being observant, you can come up with ideas for your business that you can then research online.

Keyword Research Tools to Spot Trends and Opportunities

When it comes to selling online, you need to figure out whether customers want the product. Use online tools like Google® Trends to research trending products, look up questions customers may have, and determine what their current solutions are.

How to Find Product Ideas

The product already exists, now what? If your idea or product is already on the market, don't worry: You have a couple of options. Namely, you might be able to offer the same product at a more competitive price point or provide a better alternative product. Plus, the fact that the product is already out there is validation of market potential.

Validating your product idea

The more time you put into validating the product, the better your chances of succeeding. Once you've pinpointed your business idea, research how similar products perform and what potential customers might be looking for.

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Talk to Potential Customers to Validate Ideas

One of the easiest and most cost-effective ways to figure out whether an idea is worth pursuing is to talk to people. Once you've identified a problem worth solving, talk to people who feel the pain point or frustration the most. Although you can sell almost anything in Amazon stores, a good place for an aspiring ecommerce store owner to start is with products that:

Are easy to package and ship

Have branding potential

Are affordable for customers

Have a long shelf life

Products that may be difficult for a new entrepreneur to sell are:

Food and perishables

Products with a low profit margin

Heavy or bulky items, or products that are expensive to ship

Highly competitive products (check the amount of customer reviews)

Complex items or electronic products

The Amazon Brand Registry

Prevent the unauthorized use of your brand through Amazon® Brand Registry. This program is built for entrepreneurs who have an existing trademark or patent. It includes access to tools that enable you to better represent a brand and find and report violations.

In 2017, Amazon® Brand Registry was launched – a free service for brand owners regardless of whether they sell in our store – giving brands the ability to manage and protect their brand and intellectual property rights on Amazon®. Through the Report a Violation tool, brand owners can search for, identify, and report infringements and subsequently track their submissions within a

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dedicated dashboard. Brand Registry also allows Amazon® to more effectively safeguard brands through automated protections that leverage machine learning and the data provided in Brand Registry. The automated protections continuously scan Amazon's® stores to surface potentially infringing products.

In 2021: Brand Registry had over 700,000 brands enrolled, compared to over 500,000 in 2020, a 40.0% increase. Through continued improvements in automated protections, brands found fewer infringing products in Amazon's® store. The average number of valid notices of infringement submitted by a brand in Brand Registry decreased by 25.0% from 2020.

Amazon® IP Accelerator helps businesses more efficiently obtain intellectual property rights, which helps brands protect their IP in every store, everywhere, not just on Amazon®. These businesses can also register for Brand Registry, even with a pending trademark, allowing them to utilize and benefit from some of Amazon's® tools to protect their brand. IP Accelerator connects businesses with a curated network of trusted IP law firms, which provide high-quality trademark registration services at competitive rates.

In 2021: Amazon® connected more than 5,900 small and medium-sized businesses (SMBs) to their network of trusted law firms through IP Accelerator. Since the program's original launch in 2019, over 12,000 brands have enrolled in Brand Registry through IP Accelerator. They also launched IP Accelerator in five additional countries: Australia, Brazil, Canada, Mexico, and Singapore, building on prior availability in the United States, Europe, India, Japan, and the United Kingdom.

Project Zero

Project Zero combines Amazon's® advanced technology with the sophisticated knowledge that brands have of their own intellectual property and how best to detect counterfeits of their brands. This happens through powerful brand protection tools, including the unprecedented ability brands are given to directly remove listings from the store.

In 2021: Project Zero enrolled an additional 2,000 brands, increasing the total number of brands enrolled in Project Zero to over 20,000. Among brands in Project Zero, for every one listing removed by a brand, Amazon's® automated protections proactively removed more than 1,000 suspected infringements.

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Amazon's Counterfeit Crimes Unit

In order to increase litigation efforts and collaboration with law enforcement around the world, Amazon® established the Amazon® Counterfeit Crimes Unit (CCU) in 2020. Amazon's® CCU team is made up of former federal prosecutors, FBI agents, experienced investigators, and data analysts. CCU, customs agencies, and law enforcement share information to track down counterfeiters, shut down bad actors' accounts, seize counterfeit inventory, and prosecute those involved. CCU has disrupted counterfeiters and their networks through civil suits, along with joint enforcement actions and seizures with law enforcement worldwide, including against suppliers, logistics providers, social media influencers, and fake invoice providers. Selling – or the attempt to sell – counterfeits is a crime and Amazon® wants to stop it at the source, which requires broad coordination with their many partners in this space. The public and private sectors, as well as the retail industry and government bodies, must work together to stop counterfeiters and protect consumers, rights owners, and store operators from these criminals. In October 2021, Amazon® launched the blueprint for public and private sector partnership to stop counterfeits. The blueprint prompted a dialogue among Amazon® and policymakers about industry and government cooperation, particularly around information sharing on counterfeiting criminal networks, as well as the attempted importation of counterfeit products.

Removing Counterfeits from Across the Supply Chain

The fight against counterfeit is a global issue, across all retail channels. Amazon® wants to ensure that when they find a counterfeit, it is appropriately disposed of so that it cannot be resold anywhere in the supply chain. This ensures customers purchase genuine products, whether shopping on Amazon® stores or elsewhere, and it also serves as an important deterrent in preventing counterfeiters from being able to profit off those products elsewhere.

Transparency

Transparency is a product serialization service that prevents counterfeits from reaching customers around the world. Brands label every single unit of a selected product with a unique code, which can be scanned to verify the unit's authenticity throughout the supply chain. While any retailer can choose to verify these codes, for products enrolled in Transparency, Amazon® verifies 100% of these product units. Items without a valid code are identified and stopped, so only genuine products reach customers.

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In 2021: Transparency enrolled more than 23,000 brands globally, an increase of 35% compared to 2020. Transparency enabled the protection of more than 750 million product units, a 50% increase compared to 2020.

In 2021, Amazon® launched Transparency's track and trace service that allows brands to trace products in their distribution channels and to access enhanced analytics on customer returns. This service helps brands visualize trends in product defects at a factory or manufacturing lot level and fix root causes.

Amazon® Patent Evaluation Express Amazon® launched the Amazon® Patent Evaluation Express (APEX) pilot in 2018 to give utility patent owners a forum to more effectively resolve patent infringement disputes and to significantly reduce the cost burden on both parties. In 2021, APEX was officially launched as a feature within Brand Registry's Report a Violation tool, enabling brands to request evaluations for disputes of utility patents through the tool and track the decision process.

Sourcing Products for Sale

Once you've figured out what you will sell, and who the products will serve, the next step is to find the right source for the products. Good products will help your new online business thrive. The key is not only choosing the right product, but also the right source for products.

Create or Build Products

Building products gives you control over quality and design. However, this method may be hard to scale up. Some sellers prefer to create small batches of handmade products. This helps keep operations manageable. Given the perceived higher quality of handmade products, this option also allows sellers to price products at a premium.

Work with Manufacturers

Working directly with a manufacturer to build products can give you higher potential for growth, but it's also the hardest path for a new seller to take. It will take time and funding to find the right manufacturer, work with them to build prototypes to your specifications, and eventually

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make your first order. Once you've built a new product, you will have the potential to create a distinctive brand that will help you stand out from the competition.

Choosing an online selling channel

You have many options for selling products online. Set up a website and host a branded ecommerce store on your own domain name or sell products on an existing ecommerce website like Amazon®—or choose to do both!

Setting up your own domain and ecommerce website

Efforts like search engine optimization, social media marketing, or online advertising can help drive traffic, but will require time and resources. You'll also need a process for handling orders and fulfillment once orders start coming in. This can be challenging to take on while trying to run your business.

Selling on an existing ecommerce website

Using an existing selling website that already has traffic can help you start successfully selling online sooner. Plus, this strategy gives you a chance to learn about what works for sellers, get reviews, and generate revenue before investing in your own website.

Selling on an existing website also eliminates the risk in investing too much time and money on a product before you've built a customer base. Existing ecommerce websites will typically have brand or market awareness and initiatives to drive traffic.

Selling in Amazon® stores

Amazon® is a powerful channel in terms of reach, with over 300 million customers worldwide. Amazon's® suite of tools can help new and existing business owners reach those customers with its product-focused infrastructure.

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Benefits of selling on Amazon® for new and existing ecommerce businesses include:

Speed: Get a store up and running quickly thanks to the minimal work involved in setting up the store.

Scalability and efficiency: Selling in Amazon® stores frees you up to create and sell great products—you don't have to solve every business problem. Use Amazon's® infrastructure, tools, and customer reach to grow your business.

Reach: A listing in Amazon® stores has the potential to reach more than 300 million active customer accounts.

Use Amazon's® tools for processing payments, collecting reviews, running promotions.

Community: Learn how to succeed in online selling through Seller University, a free online tutorial, and plug into a community of driven entrepreneurs through Seller Forums, an online discussion board for Amazon® sellers. These resources can be a valuable source of information for troubleshooting and support for your business.

Built-in SEO: Amazon® product pages are built to serve search engines the right content and show up competitively in search results. When you launch products in Amazon® stores with well-written product pages, you'll be primed to rank competitively for the keywords and product searches relevant to your brand.

Market awareness: Customers come to Amazon® to shop for products. If you're new to ecommerce, you may want to start small and scale up. Selling on your own domain might allow you to customize your entire website and online experience, but this takes work and you'll have to compete on the internet to get customers to your store. If you already have an ecommerce store but want to drive more traffic, selling in Amazon's® store can help you get products in front of even more potential customers, expanding your brand visibility and reach. You can choose to start selling in Amazon stores and add another ecommerce channel after you grow your business. Amazon® is a piece of many online business strategies, but it doesn't have to be the only piece.

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Setting up your online store

Once you've figured out what to sell and who you'll sell to it is time to get your business up and running.

Choosing a business name

Your business name will represent your brand, so choose something memorable and simple for customers to type and recall. If you have a clear idea of what you're going to sell, brainstorm names by looking at other brands in your industry. Or a name might pop into your mind immediately. While it may work for rock stars, it's best to avoid numbers and complicated symbols. Keep the brand name simple and easy to pronounce. Branding will help an ecommerce store stand out in the market. It's important to create a memorable impression that will attract repeat customers. You don't want the product to get lost in a sea of competitors without distinct characteristics.

Building An Online Storefront

A great way to validate your business idea is to start taking orders. Product descriptions are what customers will read to decide if the product will fit their needs. Write a thorough description and include everything the potential buyer needs to know to make an informed decision. Incomplete or inaccurate descriptions may lead to complaints, increase returns, and hurt your reputation, so be thorough, clear and upfront. However, descriptions don't have to be dry. Put yourself in customers' shoes and come up with fun and engaging descriptions of how they can use the products.

Once you've set up an online store, it's time to take care of running your business. You can create a good online experience in a number of ways. Having accurate product descriptions, a fast checkout experience, timely delivery, and an easy returns process is a great start. A good amount of reviews from other shoppers will go far, too.

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Ecommerce Fulfillment: Storing, Shipping and Returns

How will you store, ship, and handle returns for products? When you start building your online business, create a process for handling shipping and returns. To keep things simple, it might be best to find a space that is accessible and cost-effective to store and ship products. Some sellers use a place in their home (such as a garage) to store products. As your business grows, you may consider using third-party fulfillment to help you store, package, and ship products.

Amazon's® Fulfillment by Amazon service allows sellers to store products in Amazon's warehouse and enjoy the benefits of offering Prime members fast, convenient delivery options. As one example, third-party sellers sold more than 700 million items in Amazon's United States store that shipped with Prime Free One-Day Delivery or faster in 2019.

Capture and Show Reviews

Reviews can be a powerful ecommerce tool. Ideally, try to display reviews so they'll be visible to search engines like Google®, as well as customers who are shopping for products like the ones you offer. Amazon® automatically requests customer reviews on behalf of online sellers because reviews can have a positive impact on future sales. Brand owners selling in Amazon® stores can also use a tool like Amazon Vine to get feedback on new products through a pool of Amazon® Vine reviewers. Vine reviewers are Amazon® customers with a reputation (according to other shoppers) for leaving helpful product reviews. Through the Vine program, vendors send a free product to a selection of Vine reviewers in exchange for a review. When you're starting a new branded product, these reviews can help drive initial sales. This in turn can help future customers make informed buying decisions.

Track Business Performance with Ecommerce Analytics

Analytics lets you see how website visitors are interacting with a store and products. Commonly, online selling channels have ecommerce analytics built into a dashboard or have an option to install a third-party analytics program.

No matter what solution you choose, check ecommerce analytics periodically to manage inventory. Analytics is also where you can evaluate account performance by tracking orders, assessing customer service and returns, running promotions and advertising, and beyond.

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Once you get familiar with a store's analytics, you'll be able to understand how visitors interact with a store. Looking at a store's analytics reports will also give you great information on how to diagnose and troubleshoot issues in the online shopping experience.

If you're a registered brand owner selling in Amazon® stores, Brand Analytics gives you access to advanced reporting such as: Products winning the most clicks and conversions on strategic search terms; Products or brands that customers are reordering; Top products most commonly purchased alongside specific products; and breakdowns of customers by age, income, education, gender, and marital status.

Ecommerce Marketing and Product Promotion

Ecommerce marketing is vital to helping you start and grow your business. Running marketing and promotional campaigns will help you reach a broader audience no matter which selling channel you use.

Online store owners are able to run advertising campaigns in Amazon® stores to get in front of the right shoppers. The following options all help to get the product in front of as many people as possible:

Sponsored products show up within Amazon® product listing pages and can give new products a boost in visibility to Amazon's® 300 million shoppers.

Sponsored brands (available to brand owners) show a headline, logo, and up to three products at the top of a product search results page. Lightning deals and coupons drive immediate sales and boost viability, especially when you're trying to boost awareness of your brand. Advertising can turbocharge product sales by encouraging reviews and driving sales from interested shoppers.

Optimizing User Experience With A/B Testing

What will appeal to customers? What titles or descriptions will catch the attention of buyers? A/B testing allows you to try out different value propositions and offers to find the best combination for products. For registered brand owners, Amazon's® new A/B testing capabilities in the Manage Your Experiments tool allows you to run experiments on product pages to find out

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what content will drive the most sales. This can help you figure out the right combinations of titles, images, descriptions, and bullet points to help convert customers quickly.

Social Media Marketing

Given the vast amount of consumers who frequent social media websites, adding one or two social media channels to promotions and outreach can help drive brand and product awareness. To make the most of your time and effort, build a social media strategy for how you will promote your business, engage with social media users, court social influencers, and post content. Start with a plan to set yourself up for success.

Launch an Ecommerce Business in Amazon Stores

Since 2000, independent sellers and brand owners have used Amazon® to help their business grow. Amazon® is powered through individuals and small businesses that take advantage of the scale and diversity of the audience Amazon® stores attract. The Selling Central Partner Network is built to help individual sellers give customers the widest shopping selection possible.

Costs to Sell on Amazon

The cost to sell on Amazon® depends on the selected selling plan, product category, fulfillment strategy, and other variables. The options are flexible, so you can find the combo that works best for you and your goals.

Selling Plan

The Individual plan costs \$0.99 per unit sold, and the Professional plan costs \$39.99 per month no matter how many units you sell.

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Referral Fees

Amazon® charges a referral fee for each item sold. The amount depends on the product category. Most referral fees are between 8.0% and 15.0%. For every item sold, sellers pay Amazon® a percentage of the total price—including item price, shipping cost, and any gift-wrapping charges—or a minimum amount, whichever is greater. Referral fees are in addition to selling plan fees.

Fulfillment Fees

The cost to ship your orders depends on whether you fulfill your own orders or use Fulfillment by Amazon® (FBA).

Other Costs

Some sellers may incur additional fees (such as long-term storage fees) or pay for optional programs like advertising or premium account services. The *Individual Plan* allows new products to be added to the Amazon® catalog and lets sellers grow business with Fulfillment by Amazon®. This plan might be right:

- Sell fewer than 40 units a month
- Still deciding what to sell
- Don't plan to advertise or use advanced selling tools

The *Professional Plan* allows new products to be added to the Amazon® catalog and lets sellers grow business with Fulfillment by Amazon®, as well as adding products to sell in additional categories, great bulk listings and manage inventory with feeds, spreadsheets and reports. This plan might be right:

- Sell more than 40 units a month

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- Want to advertise your products
- Want to qualify for top placement on product detail pages
- Want to use advanced selling tools, like APIs and reports
- Want to sell products in restricted categories

In addition, the Professional Plan allows sellers to qualify for top placement on product detail pages, increase selling efficiency with API integration, set their own shipping fees for non-media products, attract shoppers with on-site advertising tools, run promotions and free shipping and add multiple users to the account.

Major Sources of Data:

The Amazon Corporation – Publications, Securities and Exchange Commission (“SEC”) Data and Corporate Website.

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A CORPORATE LOSS ANALYSIS

Based upon the above researched corporate and market analysis data and the total lack of any real corporate / financial / economic or market data from the Davison Design and Development Organization over a sustained period of time (2017 onwards), the undersigned has limited “direct” data upon which to rely. Without such data, the only generally useable and reliable approach upon which an Economist / Financial Analyst can rely to reach a “most probable” economic conclusion is the overall Market Sensitivity and Monte Carlo approaches. These approaches are included and explained below with the acquired data incorporated after the explanation to determine the overall “most probable” economic / financial / corporate / stigma damages suffered by the Scorza Organization over a ten (10) year period of time.

The selected future time period (2022 – 2032) does not include the prior years (2017 – 2021 / 2022) wherein the Scorza Organization and the Davison Design and Development Organization were supposedly working together via their joint abilities and varied contributions in order to fully to create / patent / trademark / develop / market / sell / improve and further increase the salability / marketability of the Scorza Scales.

A SENSITIVITY ANALYSIS OUTLINE

A sensitivity analysis is a variation on a set of scenarios or the process of varying model input parameters over a reasonable range (range of uncertainty in values of the model's parameters) and observing the relative change in the model's response. The basic idea with a sensitivity analysis is to vary one of the variables, usually one at a time, and then observe how sensitive the results change or respond to that one variable. Typically, the purpose of a sensitivity analysis is to demonstrate the variable nature of the model to simulations of uncertainty in values of the model's input over time. By use of this technique, a sensitivity analysis is useful in pinpointing those variables that deserve the most attention and / or that have the most impact on the model and its outcome, most often (in business and commerce not academia or government) the number of units of an item that can be sold and the most probable price or set of prices for these ongoing sales.

Sensitivity Analyses are also beneficial in determining the direction of future data collection activities. Data for which the model is relatively sensitive would require future characterization, as opposed to data for which the model is relatively insensitive. If certain data are determined to be insensitive to variations in model input parameters, the model might need to be examined for

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possible reasons for this insensitivity. Basically, in a sensitivity analysis, decision makers possess a tool that allows them to explore the importance of each individual assumption, holding other (or some other) assumptions fixed with regard to the specific project or model under analysis. To conduct a sensitivity analysis, one usually establishes a “base” set of assumptions for a particular project and calculates the return or income based upon those assumptions. Then, those conducting the analysis allow one variable to change and recalculate the income or cash flow based upon this new criteria. By repeating this process for all of the major unknown or future variables, decision makers can both observe the changes in the assumptions and calculate / project the most probable or reasonable financial possibility / projection.

While sensitivity analysis portrays the effects of changes in a single variable, a scenario analysis is just a more complex variation of sensitivity analysis. Rather than just adjusting one assumption, analysts can conduct scenario analysis by calculating a whole set of assumption changes via changes in several key variables. Developing realistic scenarios, an analyst has to consider the interrelationships between the different income / cash flow assumptions. Analysts ponder questions regarding market rates of growth, absorption, sales prices, costs of production, competition and the overall level of economic activity.

An even more sophisticated variation on the scenario analysis is the Monte Carlo simulation. In a general simulation, analysts specify a range or a distribution of potential outcomes for each of the model's assumptions. Analysts in Monte Carlo simulations develop probability distributions of each variable and computer-generated “draws” are made from each distribution to determine a targeted “bottom line”. For example, if a rate of return is being simulated, distribution of such items as rents, income and operating expenses are developed and a “draw” is made from each distribution, resulting in a single estimate. This process is repeated many times, thereby creating a probability distribution of a rate of return or most likely outcome. The use of Monte Carlo simulations for real estate (the original utilization) was popularized in 1973 by Steve Pyhrr in the American Real Estate and Urban Economic Association Journal article entitled “A Computer Simulation Model to Measure the Risk in Real Estate Investment” (June, 1973). A further outline of the Monte Carlo simulation approach is outlined below.

AN OVERALL MONTE CARLO OUTLINE

Monte Carlo Analysis is usually a computer-based method of analysis developed in the 1940's that uses statistical sampling techniques in obtaining a probabilistic approximation to the solution of a mathematical equation or model. It is one of the best-known solution approaches for probabilistic financial problems. Since its adoption by the Corporate Financial / Economic sectors its use for stress testing and other problems has occurred rapidly.

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The word simulation refers to any analytical method meant to imitate a real-life system, especially when other analyses are too mathematically complex or too difficult to reproduce. Without the aid of simulation, a spreadsheet model will only reveal a single outcome, generally the most likely or average scenario. Spreadsheet risk analysis uses both a spreadsheet model and simulation to automatically analyze the effect of varying inputs on outputs of the modeled system.

One type of spreadsheet is called the Monte Carlo simulation, which randomly generates values for uncertain variables over and over to simulate a model. The Monte Carlo simulation was named for Monte Carlo, Monaco, where the primary attractions are casinos containing games of chance. Games of chance such as roulette wheels, dice and slot machines exhibit random behavior. The random behavior in games of chance is similar to how Monte Carlo simulation selects variable values at random to simulate a model. Just as a rolled dice may come up with any number between 1 and 6, it is unknown which number until the dice stops, the variables that have a known range of values, but an uncertain value for any particular time or event (interest rates, staffing needs, stock prices, inventory, etc.).

Solutions to probabilistic problems are generally moments of random variables which can be expressed as integrals. Integrals may then be solved either analytically or numerically. Since the solutions generally represent estimates, numerical solutions should be used when the exact analytical solutions are either very difficult or impossible to derive. Monte Carlo is one of several reasonable approaches to numerical integration. When using Monte Carlo software, the user should be aware of the number of simulations, the convergence rates, and error estimates. Since the problem is clearly important, one should not be satisfied with generic statements.

A large number of computations are required to do a Monte Carlo simulation. The numerical accuracy of large summations is not guaranteed because of the extensive rounding involved, which may add up to large errors. Statistical or mathematical software should be considered, as it is optimized for numerical accuracy and speed. Calculating Monte Carlo simulations using a spreadsheet may not be very accurate in solving probabilistic problems such as those of retirement planning, since the batch size is limited by the worksheet.

Convergence speed is not the same for all problems. Doubling the batch size does not necessarily cut the variance of the result in half. Therefore, it is necessary that, when testing a problem one tries a number of scenarios and batches, repeating the same simulation over and over with different realizations of the pseudo-random numbers. The quality of the random number generator should be investigated. If repeating the simulation results in the exact same result, the

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program may be using the same set of random numbers over and over, causing the testing accuracy to fall short.

Generally, Monte Carlo methods give, at best, a statistical error estimate, in contrast to various other numerical methods. A Monte Carlo calculation is typically of the following structure: carry out the same procedure many times, take into account all the individual results, and summarize them into an overall approximation to the problem in question. Once the method shows a convergence to the accurate result after an infinite amount of calculation time, interest shifts to the convergence behavior or, more specifically, its convergence speed.

Data Simulation Methods

Just as there are many ways in which one could obtain different variances in the original data, there are different methods and rules that can be applied to re-generate a new error distribution that most closely resembles the error in the original data. In cases where there is an uneven distribution of errors because of instrumental limits, as are present in absorbance optical systems, the noise synthesized for the Monte Carlo iteration should ideally reflect this property.

To conduct a Monte Carlo analysis simulation, several principles of good practice may be applied. The capabilities of current desktop computers allow for a number of "what if" scenarios to be examined to provide insight into the effects on the analysis of selecting a particular model, including or excluding specific exposure pathways, and making certain assumptions with respect to model input parameters. The output of an analysis may be sensitive to the structure of the exposure model. Alternative plausible models should be examined to determine if structural differences have important effects on the output distribution.

Numerical experiments or sensitivity analysis also should be used to identify exposure pathways that contribute significantly to or even dominate total exposure. Resources might be saved by excluding unimportant exposure pathways (that do not contribute appreciably to the total exposure) from full probabilistic analyses or from further analyses altogether. For important pathways, the model input parameters that contribute the most to overall variability and uncertainty should be identified. Again, unimportant parameters may be excluded from full probabilistic treatment. For important parameters, empirical distributions or parametric distributions may be used. Once again, numerical experiments should be conducted to determine the sensitivity of the output to different assumptions with respect to the distributional forms of the input parameters. Identifying important pathways and parameters where assumptions about

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distributional form contribute significantly to overall uncertainty may aid in focusing data gathering efforts.

Dependencies or correlations between model parameters also may have a significant influence on the outcome of the analysis. The sensitivity of the analysis to various assumptions about known or suspected dependencies should be examined. Those dependencies or correlations identified as having a significant effect must be accounted for in later analyses.

Although specifying distributions for all or most variables in a Monte Carlo analysis is useful for exploring and characterizing the full range of variability and uncertainty, it is often unnecessary and not cost effective. If a systematic preliminary sensitivity analysis was undertaken and documented, and exposure pathways and parameters that contribute little to the assessment endpoint and its overall uncertainty and variability were identified, the risk assessor may simplify the Monte Carlo analysis by focusing on those pathways and parameters identified as significant.

When data for an important parameter are limited, it may be useful to define plausible alternative scenarios to incorporate some information on the impact of that variable in the overall assessment. The risk assessor should select the widest distributional family consistent with the state of knowledge and test the sensitivity of the findings and conclusions to changes in distributional shape. Variability represents diversity inherent in a well-characterized population. It can therefore not be reduced through further study. Uncertainty represents a lack of knowledge about the population, which can be reduced through further study. Separating variability and uncertainty during the analysis is necessary to identify parameters for which additional data are needed.

Numerical stability refers to observed numerical changes in the characteristics of the Monte Carlo simulation output distribution as the number of simulations increases. Ideally, Monte Carlo simulations should be repeated using several non-overlapping subsequences to check for stability and repeatability. Random number seeds should always be recorded. Accounting for important sources of uncertainty should be a key objective in Monte Carlo analysis. It is not possible to characterize all the uncertainties associated with the models and data. Qualitative evaluations of uncertainty including relative ranking of sources of uncertainty may be an acceptable approach to uncertainty evaluation, especially when an objective quantitative measure is not available.

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In the specific matter at hand, such is to fully utilize the acquired, accumulated and generally relied upon data, including data and procedures subscribed to and widely implemented by the Amazon® Corporation. Such implementation is to determine the “most likely” amount of “lost profits” to the Scorza Scales Organization due to their total inability to have created / developed / marketed / sold and improved the Scorza Scales (over time) based upon the total lack of action on the part of the Davison Design & Development Organization. In this matter, a very large-scale mass computer style / type analysis is not required due to the lack of major significant variable data, the number of variations on the singular Scorza Scale Product, size of the marketplace and the monolithic nature of the product.

As such the undersigned utilized and relied upon a Sensitivity Analysis / Monte Carlo style approach, with only a limited amount of market and variable data to consider in order to reach an overall conclusion without engaging a vast and costly computer analysis for a rather contained marketplace for a singular product. In several studies, the implementation of a larger or massive study did not enhance or improve the quality of the economic / financial output and the final reports were of a similar variable mode. Massive computer simulations and smaller limited variable analysis were of a similar quality. This is of a solid value for the interests for the nature of this report for a somewhat small, singular use product over a contained period of time.

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Scorza Scales Product – Lost Profits Variable Analysis

Table A (Low Analysis Projections)

This table utilizes, as its' base, 0.08 of the total market value (\$670 million) of scales sold to weigh individuals in the United States in a recent given year (\$670 million x 0.08 = \$536,000). It also incorporates a variable market consumer price (Average price of \$30 per scale from data obtained; \$536,000 / \$30 = approx. 17,000 scales for Scorza Market share) to formulate and determine the number of scales sold ("market share") that Scorza Scales [All manufactured in China at prevailing China costs and importation costs / fees for the larger amounts are individually noted] would have sold, per year, over a ten (10) year period (2022 - 2032). This scenario allows time to create, develop, refine and formulate a marketing plan / strategy for the scales commencing in 2017. All sales in this scenario are made via Amazon® to be at least initially most cost effective for this start-up organization.

	<u>PROJECTION A 1</u>	<u>PROJECTION A 2</u>
Units Sold (10 years no inflated price)	170,000	150,000
Retail Sales Price, Per Unit	\$20	\$25
Gross Income from Sales	\$3,400,000	\$3,750,000
Costs of Conducting Sales:		
Amazon 10 yr Plan (\$40 per mo.)	4,800	4,800
Amazon's Cut per Unit Sold - \$3.00	510,000	450,000
Units Imported Per Container (23,000)		
Container Costs (\$4,500 each)	36,000	31,500
Containers Required	8	7
Manufacturing Costs (\$3.00)	510,000	450,000
Merchandise Process Fee (0.35%)	538	538

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Harbor Maintenance Fee (0.13%)	4,250	4,688
Tariff (s)	None	None
Warehouse Transport	2,400	2,100
Goods Examination Costs	40,000	35,000
Brokerage Fees	1,600	1,400
Yearly Import Bond	1,000	1,000
Smaller Amounts Not Itemized		
Demurrage		
Inspection Fee(s)		
Insurance Costs		
Miscellaneous Costs		
Net Income Before Taxes (10-year period)	\$2,289,400	\$2,768,900

Average Lost - 10 Year - Net Income – Based Upon Low Analysis Set of Projections

\$2,529,100

RE: MARIO SCORZA VS. DAVISON DESIGN & DEVELOPMENT, INC.
CONTINUED.

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Scorza Scales Product – Lost Profits Variable Analysis

Table B (Mid Analysis Projections)

This table utilizes, as its' base, 0.1 of the total market value (\$670 million) of scales sold to weigh individuals in the United States in a recent given year (\$670 million x 0.1 = \$670,000). It also incorporates a variable market consumer price (Average price of \$30 per scale from data obtained; \$670,000 / \$30 = approx. 22,000 scales for the Scorza Market share) to determine the number of scales sold ("market share") that Scorza Scales [All manufactured in China at prevailing China costs and importation costs / fees for the larger amounts are individually noted] would have sold over a ten (10) year period (2022 - 2032). This scenario allows time to create, develop, refine and formulate a marketing plan / strategy for the scales commencing in 2017. All sales in this scenario are made via Amazon® to be initially cost effective for this start-up organization.

	<u>PROJECTION B 1</u>	<u>PROJECTION B 2</u>
Units Sold (10 years no inflated price)	220,000	190,000
Retail Sales Price, Per Unit	\$20	\$30
Gross Income from Sales	\$4,400,000	\$5,700,000
Costs of Conducting Sales:		
Amazon 10 yr Plan (\$40 per mo.)	4,800	4,800
Amazon's Cut per Unit Sold - \$3.00	660,000	570,000
Units Imported Per Container (23,000)		
Container Costs (\$4,500 each)	45,000	40,500
Containers Required	10	9
Manufacturing Costs (\$3.00)	660,000	570,000
Merchandise Process Fee (0.35%)	538	538

RE: MARIO SCORZA VS. DAVISON DESIGN & DEVELOPMENT, INC.
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Harbor Maintenance Fee (0.13%)	5,500	7,125
Tariff (s)	None	None
Warehouse Transport	3,000	2,700
Goods Examination Costs	50,000	45,000
Brokerage Fees	2,000	1,800
Yearly Import Bond	1,000	1,000
Smaller Amounts Not Itemized		
Demurrage		
Inspection Fee(s)		
Insurance Costs		
Miscellaneous Costs		
Net Income Before Taxes (10-year period)	\$2,968,200	\$4,456,600

Average Lost - 10 Year - Net Income – Based Upon Mid Analysis Set of Projections

\$3,712,400

RE: MARIO SCORZA VS. DAVISON DESIGN & DEVELOPMENT, INC.
CONTINUED.

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Scorza Scales Product – Lost Profits Variable Analysis

Table C (High Analysis Projections)

This table utilizes, as its' base, 0.12 of the total market value (\$670 million) of scales sold to weigh individuals in the United States in a recent given year (\$670 million x 0.12 = \$804,000). It also incorporates a variable market consumer price (Average price of \$30 per scale from data obtained; \$804,000 / \$30 – approx. 26,800 scales for the Scorza Market share) to determine the number of scales sold (“market share”) that Scorza Scales [All manufactured in China at prevailing China costs and importation costs / fees for the larger amounts are individually noted] would have sold over a ten (10) year period (2022 - 2032). This scenario allows time to create, develop, refine and formulate a marketing plan / strategy for the scales commencing in 2017. All sales in this scenario are made via Amazon to be initially cost effective for this start-up organization.

	<u>PROJECTION C 1</u>	<u>PROJECTION C 2</u>
Units Sold (10 years no inflated price)	268,000	248,000
Retail Sales Price, Per Unit	\$20	\$25
Gross Income from Sales	\$5,360,000	\$6,200,000
Costs of Conducting Sales:		
Amazon 10 yr Plan (\$40 per mo.)	4,800	4,800
Amazon's Cut per Unit Sold - \$3.00	804,000	744,000
Units Imported Per Container (23,000)		
Container Costs (\$4,500 each)	54,000	49,500
Containers Required	12	11
Manufacturing Costs (\$3.00)	804,000	744,000
Merchandise Process Fee (0.35%)	538	538

RE: MARIO SCORZA VS. DAVISON DESIGN & DEVELOPMENT, INC.
CONTINUED.

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Harbor Maintenance Fee (0.13%)	6,700	7,750
Tariff (s)	None	None
Warehouse Transport	3,600	3,300
Goods Examination Costs	60,000	55,000
Brokerage Fees	2,400	2,200
Yearly Import Bond	1,000	1,000

Smaller Amounts Not Itemized

Demurrage
Inspection Fee(s)
Insurance Costs
Miscellaneous Costs

Net Income Before Taxes (10 year period)	\$3,618,900	\$4,587,900
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Average Lost - 10 Year - Net Income – Based Upon High Analysis Set of Projections

\$4,103,400

RE: MARIO SCORZA VS. DAVISON DESIGN & DEVELOPMENT, INC.
CONTINUED.

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CORPORATE SALES SUMMARY OUTLINE

<u>SCENARIO</u>	<u>AVERAGE TEN (10) YEAR NET INCOME</u>
Scenario A	\$2,529,200
Scenario B	\$3,712,400
Scenario C	\$4,103,400

Most Probable Average Net Income Over a Ten (10) Year Selling Period
[Before payment of Federal and State Income Taxes - As Appropriate)

\$3,448,300

RE: MARIO SCORZA VS. DAVISON DESIGN & DEVELOPMENT, INC.
CONTINUED.

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CORPROATE / ECONOMIC / FINANCIAL / SCHOLASTIC CONCLUSIONS

Based upon the data collected and analyzed, including the wanton actions of the Davison Design and Development, Inc. organization, comprising their total lack of progressive actions as contractually agreed to in March, 2017, certain financial / economic conclusions can be reached and laid out as a foundation for other equally as important findings aside from and in addition to the calculated / projected ten (10) year corporate loss of **\$3,448,300** as explained and included above, herein:

- a) The Davison Design & Development, Inc. organization has supplied evidence that they felt the unique invention of Mr. Scorza had a high potential for success in terms of protectability and marketability. This is documented in both writing and in the fact they accepted funds from Mr. Scorza to undertake the established string of events necessary to both additionally create, patent, package, market and sell the unique concept of Mr. Scorza;
- b) If for some reason the Davison organization did not have a very solid feeling for the abilities of the Scorza concept, then they clearly fraudulently accepted his funds over a sustained prolonged period of time for no real economic / financial or corporate value received by Mr. Scorza;
- c) The relationship between Mr. Scorza and the Davison organization was one of total reliance. The Davison organization knew full well that Mr. Scorza did not have any other opportunities or abilities to move his new “scales” concept forward and by totally failing to produce any form of output or results they placed Mr. Scorza in a very unfortunate, undesirable and limiting position;
- d) Since Mr. Scorza was approximately 85 years of age, it is more than reasonable to conclude that time was of the essence and by not seeking every opportunity to fulfill their agreement and produce their agreed upon output, they were clearly taking undue advantage of an aging individual with limited patent and product skills or prior experiences;

RE: MARIO SCORZA VS. DAVISON DESIGN & DEVELOPMENT, INC.
CONTINUED.

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- e) With the Davison Organization not acting to fulfill their pledge, they have totally eliminated Mr. Scorza from the marketplace and thus eliminated his capabilities to both earn an income from his potential patent, leave an income to others such as his heirs and sell the product and / or his patent upon his passing for capital gains to his estate. Mr. Scorza was directly hurt in more than one direct fashion, including the costs, time and efforts of the current litigation;
- f) In spite of the fact that the Davison organization did not act to fulfill its obligations, they failed to produce any types or forms of output, thereby making the creation of an economic damage model more difficult than usual as there is a limited basis upon which to measure costs and / or losses – a burden that should not be borne by Mr. Scorza;
- g) The lack of Mr. Scorza to obtain any type of valuable output, further hinders and limits his abilities to progress into the overall stream of business and commerce and create additional inventions or adaptations of his first patent and participate in other creative adaptations; and
- h) Lastly, the lack of any real rate of return on both the funds Mr. Scorza agreed to give Davison Design & Development and their inability to use the Scorza funds as represented, doubly hurts, harms and hinders Mr. Scorza and his investments out into his somewhat limited remaining career future.

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CORPORATE AND RESEARCHED SCALES BIBLIOGRPAHY

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CONTINUED.

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Compiled / Researched

AUGUST / DECEMBER; 2022

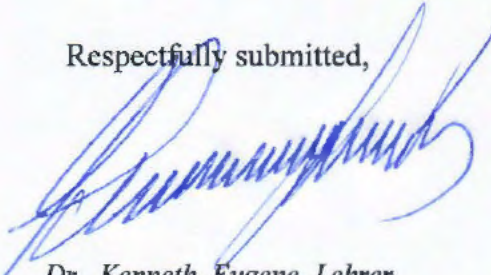
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All opinions stated are supplied to a reasonable degree of professional certainty and in accordance with accepted economic standards and principles. The undersigned hopes this brief overall economic analysis will serve as a guide in your discussions with the appropriate parties and Court of Law. If you require any additional assistance, please feel free to call upon the undersigned at any time.

Respectfully submitted,



Dr. Kenneth Eugene Lehrer

LEHRER FINANCIAL AND ECONOMIC ADVISORY SERVICES

KEL:lm

Attachments (CV of the Writer with Supporting Documentation).

Defendant's Exhibit 4

A P P E N D I X

DR. KENNETH EUGENE LEHRER

(Consulting / Forensic Economist)

Defendant's Exhibit 4

DR. KENNETH E. LEHRER has been operating an Economic and Financial Services Consulting company since 1982. He holds four (4) degrees from New York University: Bachelor of Science (Finance), Master of Business Administration (Banking), Master of Arts (Economics) and a Doctorate in Urban Economics. After a career on the corporate staff of Bankers Trust Company (New York), Dr. Lehrer became a Manager for the Greek Shipper, Costas Lemos [dec'd]. Here, he assisted on projects in New York, Houston, Denver, Guam and in Europe. Dr. Lehrer relocated to Houston in 1977.

The organization, formed in 1982, is experienced in many areas of - Economics, Finance, Economic Damage Analysis (including Business and Technology Losses), Banking, Business, ESOP and Non Public Business Valuations, Securities, Healthcare, Fairness and Advisory Opinions, Intellectual Property Valuations, Real Estate and Corporate Finance. The company both prepares institutional economic / finance reports, feasibility analysis, corporate business plans and provides litigation support (having been qualified in both State and Federal Courts) in the areas of - economics, real estate, banking, corporate and IP valuations, class actions and finance. Dr. Lehrer, served for approximately twenty (20) years (1984 - 2002) as an Adjunct Professor of Finance at the University of Houston, Graduate School of Business Administration and (2005 - 2014) an Adjunct Professor of Finance and Economics at the University of Phoenix (Houston Division). Dr. Lehrer is also a speaker at business, economic and real estate seminars.

Dr. Lehrer has served as Chairman of the Board of Directors for the Federal Home Loan Bank of Dallas as agent for the Federal Savings and Loan Insurance Corporation of - Acadia Savings and Loan Association, French Market Homestead Savings, Twin City Savings, First Savings of Louisiana. Dr. Lehrer also served (2005 - 2017) as the Senior Economist and a Director of Aztec Oil and Gas, a former publicly traded corporation.

On a professional basis, Dr. Lehrer is a Texas State Certified General Real Estate Appraiser (License TX-1337797-G) and is recognized by the National Association of Real Estate Appraisers. With his firm, he is a member of - National Association of Business Economists, American Academy of Economic and Financial Experts, American Law and Economics Association, Houston Business Economists, National Forensic Center, National Association of Forensic Economists, American Economic Association, North American Economics and Finance Association, Southern Economic Association, Western Economic Association and the Finance Club and Money Marketeers, both affiliated with New York University.

Dr. Lehrer is registered with the Securities and Exchange Commission as an Investment Advisor under the Investment Advisors Act of 1940 and has held the Full Registration / General Securities (Series 7) and Texas Securities (Series 63) Licenses. He is listed in all editions of "Who's Who In America" since the 45th edition.

Office Phone (713) 972-7912 FAX (713) 964-0444 E-Mail drken@lehecoserv.com

Web Site www.LEHECOSERV.com

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New York University

Certificate of Distinction

New York University is proud to present this certificate of distinction to Kenneth E. Lehrer, an outstanding alumnus of four divisions of the University. A student of unusual dedication and rare academic ability, Mr. Lehrer earned a B.S. degree from the College of Business and Public Administration in 1967, an M.B.A. in economics and finance from the Graduate School of Business Administration in 1969, a master's degree in economics from the Graduate School of Arts and Science in 1972, and a doctoral degree from the Graduate School of Public Administration in 1980.

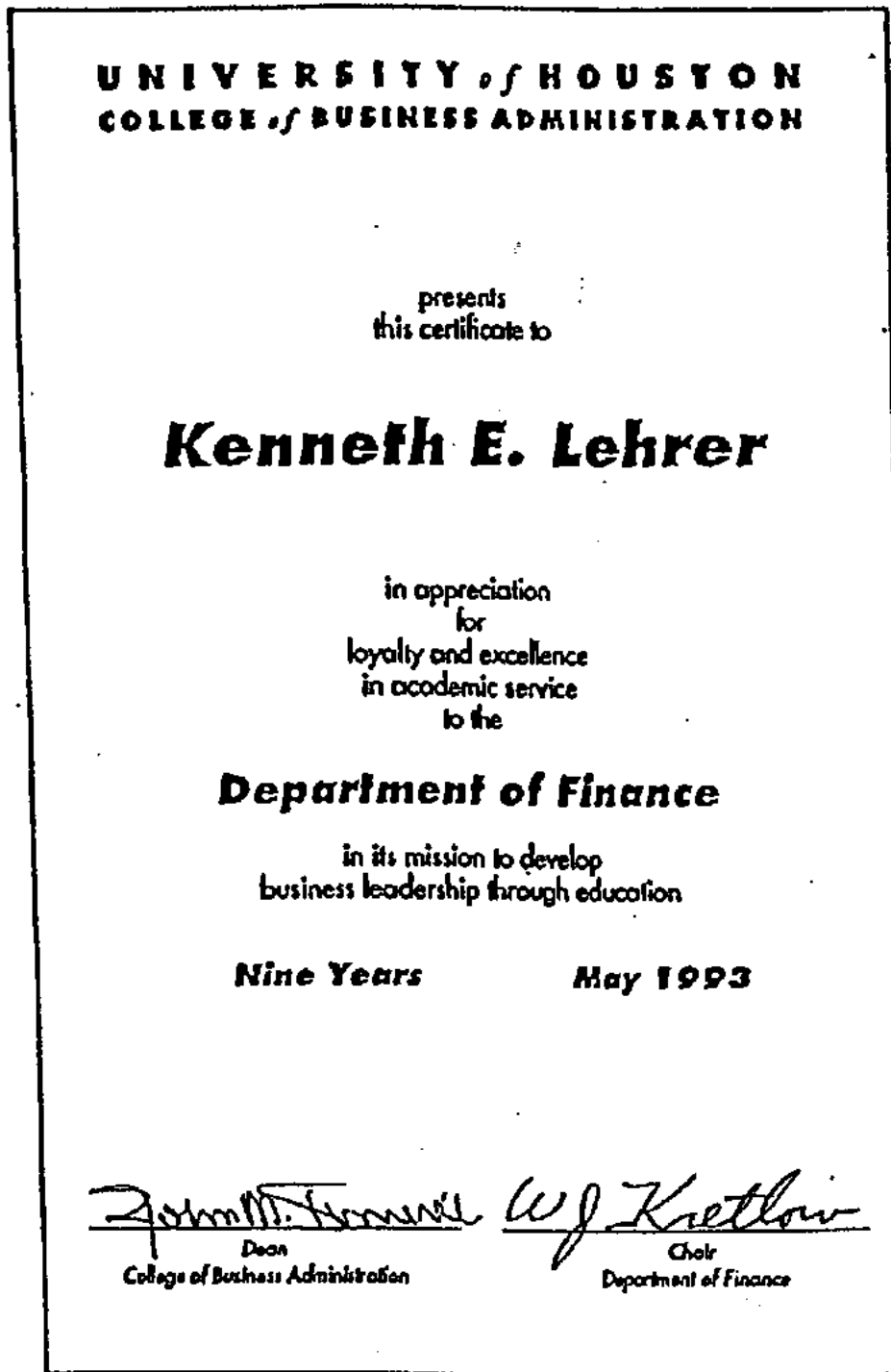
An effective and articulate advocate of the University's mission, Mr. Lehrer has maintained an active involvement with New York University despite the demands of his studies and business career and despite the great distance that separates him from his alma mater. Illustrative of his loyalty and tireless activism on behalf of the University is the major role he has played in organizing the University's alumni in Houston, Texas.

It is with great pleasure that the University acknowledges Kenneth E. Lehrer's impressive scholarly achievements and his invaluable contributions to the well-being of this institution.

September 18, 1980


Ivan L. Bennett, Jr., M.D.
Acting President

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Defendant's Exhibit 4

Member of Faculty



University of Phoenix presents with honor to

Kenneth Lehrer

as an honored member of the faculty body.

University of Phoenix faculty candidates complete a comprehensive selection program and fulfill the requirements necessary to become a faculty member. Having successfully completed these requirements, the bearer of this certificate is recognized as a certified University of Phoenix faculty member.

FACULTY MEMBER SINCE
2002

PRESENTED BY

A handwritten signature in black ink, appearing to read 'Timothy P. Slottow'.

Timothy P. Slottow, President

A handwritten signature in black ink, appearing to read 'Meredith Curley'.

Dr. Meredith Curley, Interim Provost



University
of Phoenix®

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UNITED STATES OF AMERICA

Before the

U. S. SECURITIES AND EXCHANGE COMMISSION

December 12, 1985

IN THE MATTER OF:

Dr. Kenneth Eugene Lehrer dba
Lehrer Development and Investments
5555 Del Monte Drive, Suite 802
Houston, Texas 77056-4105

FILE NO. 801- 25934

ORDER GRANTING REGISTRATION
PURSUANT TO SECTION 203 OF
THE INVESTMENT ADVISERS ACT
OF 1940

Lehrer Development and Investments

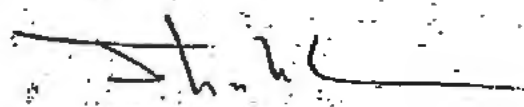
, hereinafter referred

to as the Applicant, having made application with the Commission for registration as
an investment adviser pursuant to Section 203 of the Investment Advisers Act of
1940 on October 28, 1985; and

The Commission having found that Applicant has satisfied the requirements
of such Section:

IT IS ORDERED, that the Applicant's registration be and hereby is granted,
this 12th day of December 19 85.

FOR THE COMMISSION, by the Office of Applications and Reports Services
pursuant to delegated authority.


John Wheeler
Secretary

Defendant's Exhibit 4

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